



Registered as a Newspaper at the General Post Office in the United Kingdom.

Hongkong Daily Press.

報 西

ESTABLISHED 1857

刺 手

15-19 Marina House, Queen's Road Central,
G.P.O. Box No. 1.

No. 25543

號卷拾肆伍仟伍萬式第

HONGKONG, TUESDAY, JULY 16, 1940.

日報拾月號年拾肆伍仟伍萬式第

Price per Month: \$3.00.

JAPANESE LOSSES IN S. HONAN

FANCHENG, July 15 (Central)—More than 500 Japanese fell victim to Chinese attacks in and around Sinyang, important town on the Peiping-Hankow Railway in south Honan, in the past few days.

Two hundred of them were killed and wounded in a surprise raid on July 10.

A serious encounter took place between the Chinese and a Japanese mixed infantry and artillery unit near Sinyang on the following day, resulting in the Japanese sustaining further casualties.

3-Hour Talk At Gaimusho

TOKYO, July 15 (Reuter)—A Foreign Office spokesman stated that Sir Robert Craigie, the British Ambassador in Tokyo, had a three-hour talk with the Japanese Foreign Minister, Mr. Arita, and discussed the Japanese request for the ban on transit of supplies to China, via the Burma Road.

AMERICA AND BURMA ROAD

LONDON, July 15 (Reuter)—Unofficial American criticisms of the temporary British concessions to Japan on the subject of transport of military material to China by the Burma Road are reported from Washington, writes the diplomatic correspondent of the Times.

They appear to be based upon inaccurate accounts of negotiations which are still proceeding.

The correspondent adds: "These negotiations, it is pointed out, in authoritative quarters in London, do not prejudice the future liberty of action of the British Government, whose hands are not tied by a temporary restriction of certain classes of traffic between Burma and China."

WALLET WITH \$5,000 LOST

Mr. Ho Ho-tin has reported to the police that while walking in Queen's Road Central yesterday he either lost or had stolen from his person a wallet containing \$5,140.

Mr. J. E. Newlin, in a report to the police, stated that he either lost or had stolen from his person, a leather wallet containing U.S. \$40, H. K. \$250 and a Star Ferry ticket. Mr. Newlin resides in Argyle Street.

LICENCES LOST

Six private car drivers have notified to the police that they have lost their driving licences.

-On Other Pages

PAGE 2—Tennis League; Japanese not evacuating; Police Reserve orders; Airport news; Registry weddings and announcements.

PAGE 3—Radio programmes; Coming events; B.W.O.F. donations.

PAGE 4—Inspiring message broadcast by Mr. Churchill; New Zealand Premier on war effort; Eire ready for eventualities.

PAGE 5—Kowloon fire inquiry verdict; Police Courts; Funeral of Mr. L. A. Tobols; PAGE 6—Leading article: Good health and heart.

PAGE 8—Burma Road issue; Huge drug haul made; Profit and loss account of Japanese air raids.

PAGE 9—Raw silk production of Szechwan; Market report.

PAGE 10—Commercial.

PAGE 11—Crown land auction; Passengers; Weather report.

Italian Efforts To Break Morale Of Sudanese Troops Fail Completely

LONDON, July 15 (Reuter)—Since Italy declared war, there has been a good deal of small scale activity on the thousand mile frontier between the Sudan and Abyssinia and Eritrea.

It is learned in London that two facts have already emerged:

FIGHTING AT MOYALE CONTINUES

BRITISH TROOPS HOLDING OUT

The British garrison at Moyale, on the Kenya-Abyssinian frontier, is still holding out and, according to the latest communiqué from Cairo, dated July 14, severe fighting continues in the neighbourhood between Italian and British reinforcements.

Moyale lies partly in Kenya and partly in Abyssinia. It is of no strategic importance but the road communicating the two territories passes through it.

British troops engaged are the King's African Rifles. They have fine traditions and a high reputation for stubborn fighting, according to a British Wireless message.

Big Majority For The President?

CHICAGO, July 15 (Reuter)—President Roosevelt was yachting on the Potomac River yesterday as the Democratic Convention machine put the finishing touches to its programme which opens here today at noon, but his detachment from the political scene was more apparent than real because his closest political associate and personal friend, Mr. Harry Hopkins, is handling his affairs at the Convention.

Furthermore, a special telephone connecting Mr. Hopkins with the White House has been installed.

BIG MAJORITY

A movement which has been spreading throughout the country for months with at least the President's passive consent is gathering momentum which, by Thursday, will probably give President Roosevelt nearly 90 per cent of the votes in the first ballot.

If he refused to accept this, he would be the first man in United States history to refuse a presidential nomination.

According to one of the most acute political observers, the President will accept on the assumption that the draft is really spontaneous and will "sacrifice" himself to run again because, firstly, it is the will of the people; secondly, the New Deal is threatened by Mr. Wendell Willkie; and, thirdly, his experienced hand can guide the country through an international emergency of unprecedented proportions.

MAY RESIGN?

Some observers think that in deference to the third term tradition, he will probably make clear that he will resign in favour of the Vice-President when the country is safely through the world crisis.

It is fully expected in Washington that as soon as the Convention nominates President Roosevelt, the tempo of actions to assist Britain will be speeded up, most things in both domestic and foreign policy of a possible controversial nature having been put into low gear recently for political reasons.

Quietly, however, such help as has already been provided for continents to be given. For example, it is stated on good authority that four of every five planes now being turned out in the United States go to Britain.

The Italian native troops have not much stomach for fighting and Italian efforts to break the morale of the Sudanese troops have failed badly.

Italian propaganda took the form of leaflet dropping and it failed chiefly because few of the Sudanese troops can read.

The British defence forces in this frontier consist almost entirely of these Sudanese, who have already proved themselves good fighters in modern conditions. They have held a number of posts along the frontier and have also launched some fairly successful raids, causing casualties among the enemy. In these raids, the British forces were assisted by a number of Abyssinians who came over to the British side.

THE SERIOUS MOVE

This month, however, they made the first serious move, by attacking the posts of Kassala, Gallabat and Kermud. They used greatly superior forces and captured the posts after suffering very severe casualties.

The posts themselves are of no strategic importance to the British and there is no particular reason for holding them beyond a certain point.

It is possible that the enemy have risked and suffered heavy casualties in the captures, because these posts might be useful jumping-off places for further operations in the Sudan when the rains cease.

During the present wet season the country is not suitable for big operations because the roads are not only indifferent but it would be extremely difficult to bring a large number of troops through them at all.

On the northern frontier of Kenya operations were staged preceding.



NEW POLISH HOUSE IN LONDON

TO BE OPENED BY LORD HALIFAX

Ognisko Polskie Polish House in the west end of London today in the presence of the President of Poland, General Sikorski, Polish Prime Minister, and members of the Polish Cabinet and National Council.

It has been established under the auspices of the British Council to provide Poles, at present in England, with a centre where they can meet and keep alive the traditions of their national and cultural life.

"It will also provide a channel through which they may become acquainted with British life and institutions," says British Wireless.

with minor raids by the British forces working in conjunction with the R.A.F. and the South African Air Force. The British forces crossed the frontier on several occasions although the Italian colonial troops fought better than in the Sudan.

It was not until early this month that they took the offensive with a serious attempt to capture the frontier post at Moyale. British reinforcements arrived in time to frustrate this move, but further Italian attempts to capture the post are now proceeding.

GERMANY'S "CUNNING INTRIGUE" AGAINST THE UNITY AND MORAL INTEGRITY OF TURKEY

Told To Clear Out By Today

LONDON, July 15 (Reuter)—The United States Department of State is still considering the German order that all Americans and other diplomatic missions clear out of Belgian, the Netherlands, Norway, and Luxembourg by today.

It is believed in Washington that the Germans want to plan ahead with their plunder and persecution without any close foreign scrutiny. The Germans are also irritated at the presence of the diplomats of accredited Governments now in exile.

Up to late last night the State Department had not complied with the order.

U.S. RED CROSS THANKED

MANILA, July 15 (Reuter)—In a letter to the Manila Bulletin, wives of the Royal Navy express deep appreciation for the kindness and help received in the Philippines. The letter says, "the American Red Cross has done everything possible to help us and the U.S. Army who met us in Manila were kind to us and made us feel welcome in every way they could."

The applaus with which the speech was greeted and the unanimous vote of confidence which he secured has shown that he has the full support of a proud, independent nation behind him in his opposition to such intrigues.

"After the repulse it may be expected that the German fowler will realize that however reluctantly the Turkish falcon is, it will not be trapped in his quall nets."

The DAILY TELEGRAPH says that the Nazi's aim is to isolate Turkey diplomatically in order to undermine her power and effect resistance to the German dreams of conquest in the Middle East.

"To this end Nazi propaganda is making a determined effort to sow mischief between Turkey and Russia and a whispering campaign alleviates the Russian demand for control of the Straits."

"MAINLY LOYAL"

"Amid many anecdotes now

UNFLINCHINGLY REALISTIC RESTATEMENT OF BRITAIN'S WAR FAITH AND PURPOSES

Unknown Warriors Are Men, Women Fighting For Freedom

LONDON, July 15 (British Wireless)—The Press voices the public's approving response to the Prime Minister's broadcast last night which earliest reports indicate also made a heartening impression on listeners in Canada and the United States to which it was relayed.

It was, says the Yorkshire Post, "a passionate, inspiring and yet unflinchingly realistic restatement of Britain's war faith and war purposes."

TWO POINTS MADE BY MR. CHURCHILL HAVE PARTICULARLY STRUCK THE PUBLIC IMAGINATION.

THE BRITISH SPIRIT

NEW YORK, July 15 (Reuter)—Under the heading "The British Spirit Speaks" the New York Times says, "The British people have never heard such accents of leadership as that which Mr. Churchill, the British Premier, gave them. It was the voice of a free people ready to endure every terror for the sake of staying free."

The New York Herald Tribune says, "There was never a sign of weakening or of possible defeat. Men of lesser faith cannot but take strength from his strength."

"Those from the security of land as yet untouched by war, have presumed to cavil and now stand rebuked."

FRENCH EMBASSY STAFF LEAVE

LONDON, July 15 (Reuter)—Reuter's Diplomatic Correspondent learns from French official circles that the staff of the French Embassy in London will be leaving England in the near future.

For certain reasons connected with navigation, etc., it is unlikely that the exact date of the departure will be revealed.

STIFFENED WILL

"All successive disasters have not shaken one jot their resolution. The forbidding of bad news have only stiffened their will. They have stood ready to execute any orders which they were given."

"It was the fishermen who went to Whitehall and demanded arms for their trawlers. They built a people's navy."

"It was the unknown seaman, risking his life each hour of the day, who defeated the first Nazi menace of the magnetic mine."

"It was the bank clerks of Edinburgh who gave the Nazi raiders the first taste of British skill in the air."

"It was the ordinary men from offices and shops who have since made British pilots the most respected in all the wide world."

"It was men in jerseys and rubber boots who snatched life for their comrades from the death-trap of Dunkirk."

LIKE WINE

SYDNEY, July 15 (Reuter)—Commenting on Mr. Churchill's broadcast, the Minister of Industry and Attorney-General, Mr. W. M. Hughes said, "The message runs in our veins like wine. It will endure through the longest night and sustain us undismayed through the severest trials."

Broadcast on Page 4

U.S. comment Page 7

LONDON, July 15 (Reuter)—

The Chairman of the Thames Conservancy Board stated that 35 employees were engaged for the War Office in the work of damming up certain rivers in a certain place."

There was no serious damage.

General Manager

Natural

Nature as it is desirable are Sir William Crookes' lenses.

Something to offset the harmful glare is necessary but you don't have to have the whole landscape darkened like a rainy day to do that.

Wear Crookes and know what real eye-comfort means.

Crookes OPTICIANS

Single Copy: 10 cents.

Price per Month: \$3.00.

HITLER AND JULY 27

LONDON, July 15 (Reuter)—A message received by Reuter from the German frontier says that neutrals arriving there from Berlin declare Hitler has chosen Saturday, July 27, for his triumphal entry into Berlin, after the occupation of London.

It is declared that many of the windows along the processional route have already been lit.

FOOD FOR FRENCH PEOPLE

LONDON, July 15 (Reuter)—The Swiss Radio states that the first American ship, carrying food and supplies for distribution among French people afflicted by war, has reached Marseilles.

Bombs Fall On South Coast Town

LONDON, July 15 (Reuter)—The Air Ministry and Ministry for Home Security communicate states: "Enemy aircraft dropped some bombs on a south coast town yesterday morning. There were some casualties, some or which were fatal."

"There were some casualties and several houses destroyed, when bombs dropped from a raider fell on the residential quarter of a town in south-east England yesterday morning."

LITTLE DAMAGE

A lone raider dropped four bombs on a Welsh town yesterday. Little damage was done and nobody was injured.

Anti-aircraft guns went into action and the bomber disappeared in the clouds, with a big column of black smoke pouring from its tail.

CONVOY ATTACK

BERLIN, July 15 (Reuter)—A communique states that bomber units attacked the British convoys on Sunday and claimed that three merchant ships were sunk.

The communique also states that during the night of July 14 bombers attacked harbours, installations, aerodromes and armament works in the south of England

TUESDAY, JULY 16, 1940.

Volunteer Orders

ORDERS BY LT.-COL. H. B. ROSE, M.C. COMMANDANT, HONGKONG VOLUNTEER DEFENCE CORPS

(CONTINUED FROM SATURDAY)

QUALIFICATION—D.E.L. ENGINES

The following personnel of 4th Battery were tested on the running of D.E.L. Engines on 25/6/40 and passed.

3704 L/Bdr. C. C. Fung, 4293 Gnr. S. C. Chan, 4272 Gnr. M. K. Lo, 4278 Gnr. J. C. Bing.

Corps Signals

July 19. H.Q. 2 p.m. (1) Groups A and B, Field Signalling exercise in Wong Nai Chong Area. (II) W/T Detachment, Duties only as roster. (III) Others, Signal training and drill in accordance with training programme. (VI) Uniform—shirt-sleeves, sun helmets.

Armoured Car Platoon

July 19. H.Q. 5.30 p.m. Range finding.

Motor Machine Gun Platoon July 19. H.Q. 5.30 p.m. Anti-gas instruction.

No. 1 Company

July 19. H.Q. 5.30 p.m. Those detailed by Platoon Commanders.

No. 4 Company

July 19. (I) H.Q. 5.15 p.m. Men detailed for Kennedy Road Range. (II) H.Q. 5.30 p.m. Recruits already sworn in, complete equipment and allotment to platoons. (III) Remainder of recruits, infantry training.

No. 6 Company

July 19. H.Q. 8 a.m. Dress—Helmet (chin strap up), shirt, shorts, puttees, and hose tops, pouches, belt and frock, rifle slings, haversack, water bottle filled. Knives, and forks, box respirators to be carried.

No. 7 Company

July 19. H.Q. 8 a.m. Field training at D'Aguilar. Dress—Helmets, shirts, shorts, boots, puttees, equipment, water bottle filled. Rifle and bayonets will be drawn from Company stores before parade. This parade is compulsory for all ranks.

Pay Section

July 19. H.Q. 2.15 p.m. Dress-Mutli.

APPOINTMENTS AND PROMOTIONS

Pte. P. Ryan, Stanley Pl. to be Cpl. 9/7/40. L/Bdr. N. Spence, 3rd Bty. to be A/Sgt. 12/7/40. Gnr. B. J. M. Monks' 3rd Bty. to be A/Sgt. 12/7/40. Gnr. S. G. Davis, 3rd Bty. to be A/Sgt. 12/7/40. L/Bdr. A. Bone 4th Bty. to be Sgt. 11/7/40. Spr. V. D. Rumansuff, Fd. Coy. Engs. to be L/Cpl. 12/7/40. Spr. S. Burke, Fd. Coy. Engs. to be L/Cpl. 12/7/40. Cpl. V. C. Bond, M.M.G. Pl. to be L/Cpl. (own. Reg.), 12/7/40. L/Cpl. W. Sprague, M.M.G. Pl. to be Cpl. 12/7/40. L/Cpl. E. L. Groome, M.M.G. Pl. to be Cpl. 12/7/40. Pte. K. Mitchell, M.M.G. Pl. to be L/Cpl. 12/7/40. Pte. G. A. Lomasay, M.M.G. Pl. to be L/Cpl. 12/7/40. Pte. H. K. Long, M.M.G. Pl. to be L/Cpl. 12/7/40. Pte. N. D. Booker, M.M.G. Pl. to be L/Cpl. 12/7/40. Pte. Hazura Singh, Special Guard Co. to be Sgt. 12/7/40. Pte. Ghulam Mohamed, Special Guard Co. to be Sgt. 12/7/40. Ptes. Feroz Khan, Jaffar Khan, Karam Singh, Nader Khan, Kaiser Singh, Fazal Ahmed, Mohamed Akram, Lal Khan, Shah Mohamed, Mohamed Din, Ranjit Singh, Special Guard Co. to be Cpl. 12/7/40. L/Sgt. J. M. Oliveira, No. 8 Coy. to be Pte. 12/7/40. Pte. S. J. Cooke, No. 4 Coy. to be A/Sgt. 12/7/40.

TRANSFERS

Pte. S. J. Cooke from No. 1 Coy. to No. 4 Coy. 1/7/40. L/Bdr. N. Spence from 1st Bty. to 3rd Bty. 12/7/40. Gnr. B. J. M. Monks from 2nd Bty. to 3rd Bty. 12/7/40. Gnr. S. G. Davis from 2nd Bty. to 4th Bty. 12/7/40. Gnr. F. Thomson from 2nd Bty. to 4th Bty. 12/7/40. Pte. S. A. Sleap from A.S.C. Coy. Res. to A.S.C. Coy. 12/7/40.

LEAVE

Pte. W. M. Eckertson, No. 1 Coy. 8/6/40—10/7/40. Pte. L. A. Gutierrez, No. 8 Coy. 24/6/40—3/7/40. Pte. E. H. Baker, Fd. Ambulance 1/7/40—31/7/40. Sgt. L. E. Lamerton, No. 1 Coy. 1/7/40—15/7/40. Capt. F. J. W. Focken, Corps H.Q. 3/7/40—31/7/40. Pte. J. C. Davis, A.S.C. Coy. 3/7/40—5/7/40. Gnr. Y. I. Fung, 4th Bty. 3/7/40—31/7/40. Pte. W. G. Robertson, No. 2 Coy. 9/7/40—8/8/40. Gnr. J. A. Rainey, 5th A.A. Bty. 10/7/40—31/7/40. Pte. G. Whittick, No. 3 Coy. 20/7/40—28/8/40. Pte. F. K. Par-

REDUCTION OF CAPITAL

KWONG SANG HONG APPLICATION

An application for reduction of capital by Kwong Sang Hong Chief Justice, Sir Atholl MacGregor, at the Supreme Court yesterday.

Mr. D. J. N. Anderson, appearing for the petitioning firm, instructed by Messrs. F. E. Nash and Company, said that one of the reasons for the petition was that the company had decided not to invest any more of their funds in the furtherance of the company's objects owing to the existing hostilities in China which had hampered the company's activities and business.

Mr. Anderson said that the company was incorporated in Hongkong in 1910 and carried on business as manufacturers of and dealers in Florida water of the "Two Girls Brand" and all kinds of perfumes, toilet requisites, medicines, chemicals and other preparations.

CAPITAL INCREASED

The original capital was \$200,000 but had been increased on four further occasions until it was now \$2,400,000 divided into 24,000 shares of \$100 each.

At a meeting held on May 31, 1940, a special resolution was passed whereby it was resolved that the capital be returned to \$1,800,000 by reducing the nominal amount of each share from \$100 to \$75 and returning \$25 per share to each of the holders of the 24,000 shares.

Apart from the war in China the company's balance sheet for the year ended December 1939 showed the company's assets amounted to \$8,119,091 and the company's liabilities which included its paid-up capital of \$2,400,000 amounted to \$3,852,150. Excess of assets over liabilities amounted to \$4,266,940.

The petition for reduction of capital was confirmed by the Court.

S. S. (S.) A. AGAINST STATE LOTTERIES

Doubts whether State-aided lotteries would yield any sum exceeding \$2,000,000 a year in the Colony are expressed by the sub-committee appointed by the Straits Settlements (Singapore) Association to consider and report on war taxation and war loan.

In the course of a 12-page report on the various means of raising money for the war and the "wantage" and disadvantages of each the sub-committee says of State-aided lotteries—

"No figures are available from which an accurate estimate of the yield of such lotteries can be made, but the sub-committee doubt whether their yield in the Colony would exceed \$2,000,000 per annum. In the one scale therefore, there is a potential recovery for the revenue of \$2,000,000 per annum or thereabout and the gratification of a few fortunate winners."

"On the other scale is the distress which might be caused to many individuals and families by unrestricted and State-aided gambling."

The sub-committee were of opinion that, while lotteries are an expedient for raising money to which resort might be had if the situation warrants, they must not be regarded as substitute for proper taxation."

CONCLUSIONS

Summarising their conclusions, the sub-committee report that (1) the objections to income tax are for the most part well founded; but are not so serious that they should be allowed to prevent Malaya from putting forth her maximum war effort. Nothing should stand in the way of this.

(II) There are taxes, other than a war tax on incomes, whereby if estimated yields are correct about \$10,000,000 per annum could be raised from the Colonies.

(III) These taxes are not considered satisfactory alternatives to income tax. Their incidence would be unequal and large sections of the community who can afford to contribute would escape. The sub-committee can find no method other than a tax on incomes, or spreading the burden upon all who can afford to pay.

(IV) The sub-committee favour

Japanese Not Evacuating

MEETING HELD BY RESIDENTS

"In view of the fact that so many British and other nationals have evacuated from Hongkong, the Japanese residents in the Colony were naturally concerned about their own safety," stated Mr. K. Okazaki, Japanese Consul-General, in reply to an enquiry by a representative of the Daily Press, regarding a meeting of Japanese residents held in the Colony in the early part of this month.

"They were naturally scared about the situation," said the Consul General, who, at the same time, denied the rumour that Japanese residents were supposed to be ready to evacuate the Colony by July 25. "There is no truth in it," said Mr. Okazaki.

Asked as to whether there was a registration institute for local Japanese residents, Mr. Okazaki said it was not necessary, as Japanese subjects in the Colony are duly registered at their own Consulate as a routine measure.

16 CASUALTIES: JAPANESE BOMB SHAYUCHUNG

There were sixteen casualties among the population when three Japanese planes dropped 14 bombs on Sunday morning.

The aircraft appeared shortly after 11 a.m. and, after circling overhead for some time, dropped nine bombs on the town and five on the beach.

Ten persons were killed when a number of bombs were dropped on Kowloon, some miles north of Shayuchung. Four of the wounded, two women and two men, have been admitted to the Kowloon Hospital for treatment.

JAPANESE TROOPS AT SHUMCHUN

A report in the Chinese press that Japanese troops have evacuated Shumchun in large numbers, leaving garrison of only some 300 troops could not be confirmed from reliable sources last night.

It was learnt, however, that there has been an exodus of Japanese troops on a smaller scale. It is estimated that the Shumchun garrison still numbers about 1,000.

H.K. POLICE RESERVE

Orders by the Hon. Mr. T. H. King, Commissioner of Police.

CHINESE COMPANY

Patrol Duty: Patrol duties will be carried out as ordered.

INDIAN COMPANY

Patrol Duty: Patrol duties will be carried out as ordered.

FLYING SQUAD

Training Course—Part II: The following members have qualified in Part II of Training Course on July 11, 1940—

Constables R367 Lam Ho Kwan,

R368 Chan Wah Kien, R369 Yau,

Chi Chung, R370 Chan Chun, R372

Chi Kwok Wah, R374 Tai Wing

Tak, R375 Shum Koon Ying, R376

Lam Wai Kee, R378 Peter Yeung,

R380 Chan Wing Fatt, R381 Chan

Hung Flu and R382 Chu Chung

Loing.

The undermentioned members of

the Hongkong Section will attend

Chinese Company Headquarters on

Wednesday, July 17 at 17.30 hours

for Part II of Training Course—

Constables R333 Lee Yim, R353

Tam Pak Tat, R381 Wong Lim

Lung, R382 K. N. Mann, R383 Ma

King Shing, R386 Tuet Hung

Cheung, and R373 Li Chee Keung.

Patrol Duty: Patrol duties will be carried out as ordered.

EMERGENCY UNIT RESERVE

Parade: All recruits will parade at No. 2 Police station at 17.20 hours on Wednesday, July 17 and Friday, July 19 for Training.

Leave: Constable R444 G. S.

Ford has been granted one month's

sick leave, as from July 15, 1940.

Lance Sergeant R444 W. E.

Borobie has been granted 6 days

sick leave, as from July 15, 1940.

Equipment: Members not in

possession of khaki helmets will

H.E. AND MRS. N.L. SMITH

Will Reside At Mountain Lodge

His Excellency the Acting Governor, and Mrs. N. L. Smith will go into residence at Mountain Lodge on Thursday, July 18.

Visitors Books will be available at both Mountain Lodge and Government House.

Mrs. N. L. Smith's working parties will continue as usual.

AIRPORT NEWS

TWO PASSENGERS BY DARDANUS

Imperial Airways inward plane Dardanus (Capt. Brunton and F/O Harvey) arrived at Kai Tak yesterday at 4.25 p.m. with 133 kilos of mail for Hongkong.

Two passengers arrived by the plane, one of them being Mr. Kirk.

The next inward plane is due to arrive in Hongkong on Thursday, July 18.

Imperial Airways outward service will leave Kai Tak tomorrow morning.

HONOLULU CLIPPER DUE TODAY

Pan American Airways Honolulu Clipper is scheduled to arrive at Kai Tak this afternoon, with U.S. Mail dated San Francisco July 2.

The Honolulu Clipper will take off for Manila on its return flight tomorrow morning.

FOR HONOLULU

The following were among the passengers who left for Honolulu by the Philippine Clipper yesterday morning.

MR. CECIL NEWTON MCKAY, Australian Manufacturer, en route to England;

MR. JEAN LUCIEN RONDON, president and general manager of L. Rondon and Co., well-known importers and exporters of the Far East. Mr. Rondon will proceed by steamer from Honolulu to San Francisco, from where he will take the United Air Lines to New York;

Mrs. MARY BALDWIN, wife of an official of The National City Bank of New York, en route to her home in Santa Barbara, California. Mrs. Baldwin is accompanied by her infant son, Master Charles D. Baldwin.

THURSDAY JULY 18

BRITAIN'S PREMIER SAYS

"WE SHALL SEEK NO TERMS"**"FIGHTING ALONE, BUT NOT FOR OURSELVES ALONE...."****Mr. Winston Churchill Broadcasts Inspiring Message To People**

LONDON, JULY 15 (REUTER)—REFERRED TO THE POSITION IN BRITAIN, MR. WINSTON CHURCHILL, IN HIS BROADCAST LAST EVENING, SAID THAT "ALL WE CAN SAY IS THAT ANY PLAN FOR INVADING BRITAIN WHICH HITLER MADE TWO MONTHS AGO MUST HAVE HAD TO BE ENTIRELY RECAST IN ORDER TO MEET OUR NEW POSITIONS."

"We must prepare not for the summer but for the winter, not only for 1941 but also for 1942 when the war will, I trust, take a different form from the defensive in which it has up to now been bound."

"During the last fortnight the British Navy, in addition to blockading what is left of the German fleet and chasing the Italian fleet, had had imposed upon it the sad duty of putting effectively out of action for the duration the capital ships of the French Navy."

These, under the armistice terms signed in the railway coach at Compiegne, would have been placed within the power of Nazi Germany. The transfer of these ships to Hitler would have endangered the security both of Britain and the United States. We, therefore, had no choice but to act as we did and to act forthwith. Our painful task is now completed.

FAIR WARNING

"Although unfinished the battleship Jean Bart still rests in a Moroccan harbour and there are a number of French warships at Toulon and in various French ports all over the world. These are not in a condition, or of a character, to disarrange our preponderance of naval power. As long, therefore, as they make no attempt to return to ports in Germany and Italy we shall not molest them in any way. That melancholy phase of our relations with France has, so far as we are concerned, come to an end."

**SANDEMAN****SHERRY & PORT**

Obtainable everywhere

KIRIN

B E R

The
Choice of
The Multitude

Sole Agents:-

H. HONDA & CO.

Tel. 20720.

40, Johnston Road, Hong Kong.

GENERAL**Freedom And Liberty****N.Z. PREMIER ON WAR EFFORT**

WELLINGTON, July 15 (Reuter)—A call to New Zealand to produce more was made by the Prime Minister, Mr. Fraser, in a broadcast speech.

He declared that every additional ounce produced in the fields and the workshops was a blow for liberty, and that every ship laden with food which sailed to Britain was a hammer stroke for freedom.

Every penny contributed towards war and patriotic funds or National security was ammunition to win the war.

"Let us unite our efforts to work as we have never worked before," he concluded.

Frenchwomen wherever they may be, who in the darkest hour did not despair with reproaches.

"When you have a friend and comrade at whose side you have faced tremendous struggles and your friend is mitten down by a stunning blow, it may be necessary to make sure that the weapon that is fallen from his hand shall not be added to the resources of your common enemy."

BUT YOU NEED NOT BEAR MALICE BECAUSE YOUR FRIENDS CRIES OF DILIRIUM AND GESTURES OF AGONY. YOU MUST NOT ADD TO HIS PAIN, YOU MUST WORK FOR HIS RECOVERY.

READY TO HELP

"The association of interests between Britain and France remains. The cause remains a duty inescapable remains, and so long as our pathway to victory is not impeded, are ready to discharge such offices of goodwill towards the French Government as may be possible and to foster trade and help in the administration of those parts of the great French Empire which are not cut off from captive France, but which maintain their freedom.

"Subject to the iron demands of war which we are waging against Hitler and all his works, we shall try to conduct ourselves so that every true French heart will beat and glow at the way we are carrying on the struggle. And that not only France but all oppressed countries in Europe may feel that each British victory is a step towards the liberation of the continent from the foulest thrall of man which it has ever been cast."

"All goes to show that the war will be long and hard. No one can tell where it will spread. One thing is certain—the peoples of Europe will not be ruled for long by the Nazi Gestapo, nor will the world yield itself to Hitler's gospel of hatred and domination.

"And now it has come to us to stand alone at the breach and face the worst that the tyrants' might, and in enmity, can do. Bearing ourselves humbly before God, but conscious that we serve an unfailing purpose, we are ready to defend our native land against the invasion by which it is threatened.

WE AWAIT UNDISMAYED

"We are fighting by ourselves alone, but we are not fighting for ourselves alone. Here in this strong city of refuge which enshrines the title deeds of human progress and is of a deep consequence to Christian civilisation; here, girt about by the seas and oceans where the Navy reigns, shielded from above by the staunchness and devotion of our airmen, we await undismayed in impending assault."

"Perhaps it will come tonight. Perhaps it comes next week. Perhaps it will never come. We must show ourselves equally capable of meeting a sudden violent shock or what is perhaps a harder test, a prolonged vigil."

"BUT BE THE ORDEAL SHARP OR LONG OR BOTH WE SHALL SEEK NO TERMS AND WE SHALL TOLERATE NO PARLEY. WE MAY SHOW MERCY—WE SHALL ASK NONE."

"I can easily understand now the sympathetic onlookers across the Atlantic or the anxious friends in yet unravaged countries of Europe who cannot measure our resources or our resolve, may have feared for our survival when they saw so many states and kingdoms torn to pieces in a few weeks or even in days, by the monstrous forces of the Nazi machine."

POISONED BY INTRIGUE

"But Hitler has not yet been withstood by a great nation with a will power equal to that of his own. Many of these countries have been poisoned by intrigue before they were struck down by violence."

"They have been rotten within before they were smitten without. How else can you explain what has

"WE WILL PULL THROUGH"**EIRE READY FOR EVENTUALITIES**

LONDON, July 15 (Reuter)—"We may be in a rather tight corner soon but that is nothing new to us and with God's help and the courage of our people we will pull this old land through," declared Mr. Aitken, Minister for the Coordination of Defence Measures in Eire, speaking at a recruiting meeting at Dundalk yesterday.

"Every civilian must realise that his district might become the scene of military operations at any time and, in such a case, they should not hamper the Army, nor co-operate with or assist the enemy in any way."

"People should familiarise themselves with voices over the radio of Eireann announcers and not be misled by enemy propaganda which might be sent over the radio."

TERM EXTENDED

LONDON, July 15 (Reuter)—The King has approved of the extension of office for one year, from January next, of Vice-Admiral Sir Humphrey Walwyn, as Governor and Command-in-Chief of Newfoundland.



SOLE DISTRIBUTORS

A. S. WATSON & CO., LTD.
WINE DEPT. TEL 20616

comes more widespread and becomes more inland.

"Around all lies the power of the Royal Navy. With over a thousand armed ships under the White Ensign, patrolling the seas, the Navy which is capable of transferring its forces very readily to the protection of any part of the Empire which may be threatened, is capable also of keeping open our communications with the New World from whom, as the struggle deepens, increasing aid will come.

"Is it not remarkable that after ten months of unlimited U-boat and attacks upon our commerce, our food reserves are higher than they have ever been? And we have, substantially, a larger tonnage under our own flag, apart from the hundreds of foreign ships that we had at the beginning of the war.

SUNLIGHT AHEAD

"Why do I dwell upon this? Not, surely, to induce any slackening of effort or vigilance. On the contrary this must be redoubled and we must prepare not only for the summer but for the winter, not only for 1941 but for 1942, when the war, I trust, will take a different form from the defensive in which it as yet till now been bound.

"I dwell upon these elements of our strength, upon these elements of our strength, upon these resources which we have mobilised and controlled. I dwell on it and them because it is right to show that a good cause can command means of survival, and that while we toil through a dark valley we can see the sunlight in the uplands beyond.

"I stand at the head of a Government representing all parties in the State, all creeds and all classes, and every recognisable section of opinion.

"We are supported by a free Parliament, by a free Press, but there is one point which unites us all and sustains us in public regard," namely, as it is increasing becoming known, we are prepared to proceed to all extremities to endure them and enforce them. That is our point of union in his Majesty's Government.

WAR OF THE PEOPLE

"It is only in times like these can nations preserve their freedom and thus only can they uphold the cause entrusted to their care. But all depends now upon the whole life and strength of the British race in every part of the world, and all of our associated people and all our well-wishers in every land doing their utmost night and day, giving all, daring all and enduring all to the utmost.

"There is no war of chieftains or princes or dynasties or national ambitions; it is a war of the people and of causes. There are vast numbers not only in this land but in every land who will render faithful service in this war but whose names will never be known, whose deeds will never be recorded.

THIS IS A WAR OF THE UNKNOWN WARRIOR, BUT LET ALL STRIVE WITHOUT FAILING IN FAITH OR IN DUTY. AND THE DARK CURSE OF HITLER WILL BE LIFTED FROM OUR AGE."

SELO CHROME Roll Film

made in England by **ILFORD** LIMITED LONDON

CAMEL BRAND

Synthetic FINISH

ALWAYS insist on having

Guaranteed Retentive Colour and Gloss
Manufactured by
The National Lacquer & Paint Products Co., Ltd.
King's Road, Hong Kong.

品可用耐候漆王屋漆廠
品出公司漆廠民國漆廠

SPECIAL SALE
AT LOW PRICES
New Laid Leghorn Eggs
FROM THE
Diamond Leghorn Farm
(Sole Agent)
HUNG CHEONG
66, NATHAN ROAD, KOWLOON
TELEPHONE 5168

Death By Misadventure: Kowloon Fire Verdict

CONCRETE STEPS PREVENTED THE SPREAD OF FLAMES

A verdict of death by misadventure was returned at Kowloon Court yesterday when the inquiry was concluded before Mr. Q. A. Macfadyen, sitting as Coroner, and a jury comprising Messrs. I. S. Hardoon (foreman), Ip Kam-wing and Chan Chung-cho, into the death of Sit Hung, 20, shirtmaker, who died of burns received in a fire at No. 34, Jordan Road, on the evening of June 12.

Addressing the jury, Mr. Macfadyen said that, unfortunately, it was not possible to deduce the cause of the fire from the evidence submitted. The jury could say only that it broke out suddenly and from an undeterminable cause.

It was worthy of note that there was stored in the cocktail of the ground floor a number of bottles containing cellulose nitrate, ammonia and other chemical preparations. These were highly inflammable substances and the fact that a large portion of the stock in the shop was treated with these chemicals in its preparation could, perhaps, account for the rapid spread of the fire.

Inspector A. Wright, who entered the building from the roof during the fire, submitted in evidence the fact that the flight of steps he descended was of concrete, and it could be noted also that these concrete steps must have been largely responsible for the fire not having spread to the upper floors.

TIPPED OVER

Evidence yesterday was given by certain of the fokis of the shop, one of whom had a heavily bandaged hand that was burned in the fire. He stated he tripped over a machine stool as he ran out and fell down on all fours.

He was facing the back of the shop, working at his machine and partly drowsing a few minutes after 6 p.m., Leung Piu, the foki, stated, when he felt a stab of pain in his back. He turned round to discover practically the whole of the floor was in flames. He did not notice any of the other fokis as he ran out.

Mr. Muk, 35, fitter employed by the shop, stated that, in his opinion, the fire originated in the cocktail as that portion of the shop seemed more engulfed in the flames when he first noticed the place was on fire.

The estimated damage as a result of the fire suffered by the Ho Kin Kee shop, the premises affected, has been placed at \$19,000. The fire also claimed two lives. Cork toppers, leather jackets and other men's apparel were manufactured on the premises.

AT KOWLOON

JORDAN ROAD FIGHT SEQUEL

As a sequel to the disturbance in Jordan Road on Saturday night, Li Hong, 20, a cobbler, appeared before Mr. Q. A. A. Macfadyen at Kowloon Court yesterday when he was remanded three days in custody. He is charged with maliciously wounding Yan Hung-cheung, and, alternatively, with wounding the same person with intent to do him grievous bodily harm.

POSSESSION OF PRIVATE CODES

A fine of \$100 in default six weeks' imprisonment was imposed by Mr. Q. A. A. Macfadyen at Kowloon Court yesterday on Lam Chung Yuen alias Lam King-nai alias Lam Shui-wing alias Lam San, 41, charged with possession of codes or cyphers, an offence against the Defence Regulations, at No. 33, Fuk Wing Street, 2nd floor.

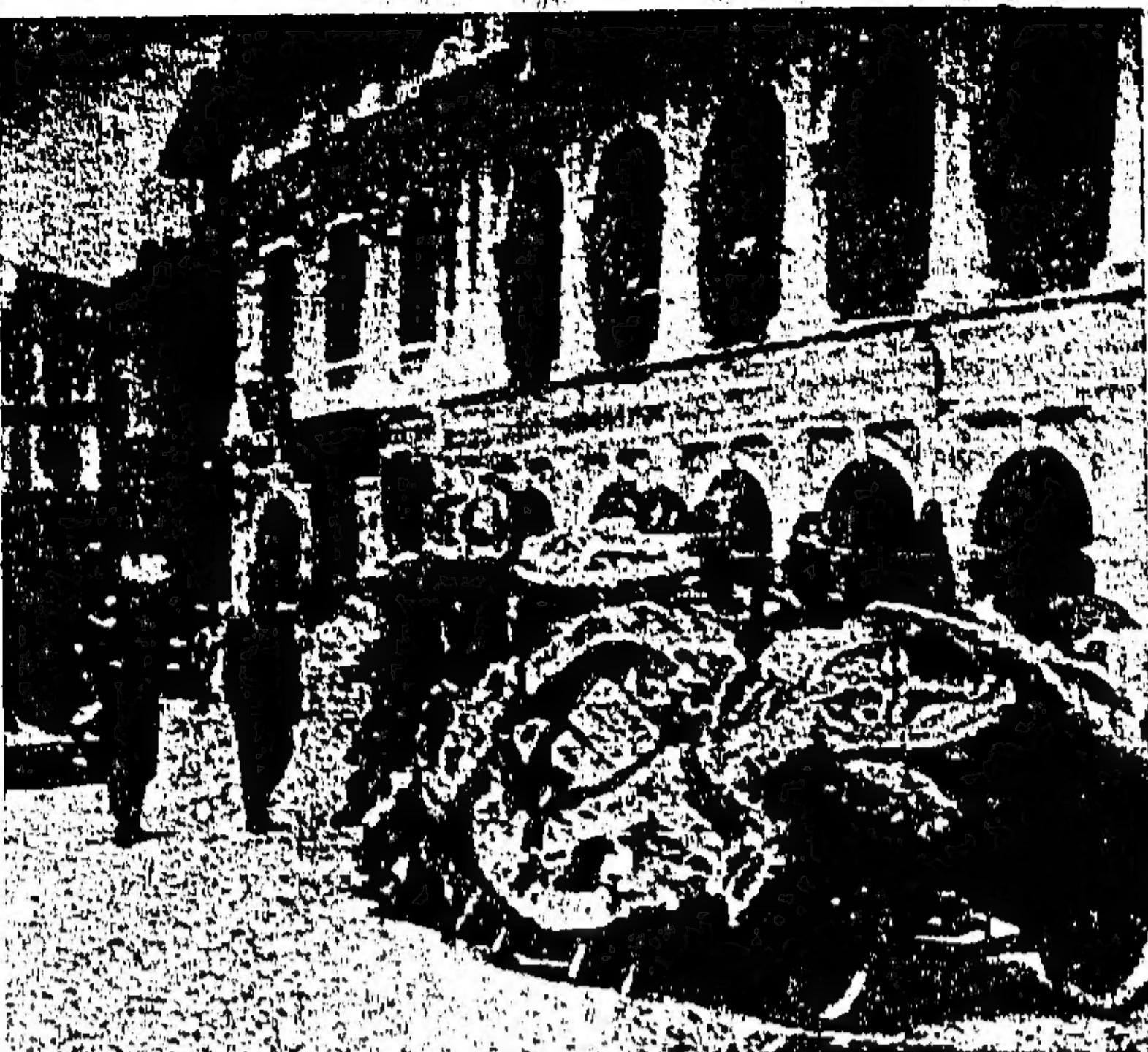
Det-Sgt. Macpherson, prosecuting, said that the police, acting on information, visited the defendant's house in the early morning of July 11. Asked about the codes, defendant immediately produced these which he took out from a safe.

He later pleaded he did not know local regulations. Police had no evidence to show that he had made any attempt to use the codes since the enforcement of the Emergency Regulations which forbade the possession of any document relating to codes or cyphers.

Mr. C. A. Sutherland Russ, appearing for defendant, stated that Lam had been very frank about the codes and had readily given the police assistance. He was connected with the 5th Route Army of the Kwangsi Government and had brought the codes down to Hongkong in September last year.

THEFT OF EAR-RING

On a charge of larceny of a jade ear-ring from Mrs. A. H. Eca, of No. 18, Observatory Road, at Saigon Street near Woosung Street on Saturday, a 16-year-old Chinese youth from Macao appeared



The black-draped and flower-covered wagon which bore the remains of the Governor of Macao in an impressive funeral procession at Macao on July 11.

THOUSANDS PAY LAST RESPECTS TO LATE MACAO GOVERNOR

FROM OUR OWN CORRESPONDENT

MACAO, July 11.—In contrast to the hundreds who stood outside the Municipal Council building and braved torrents of rain, watching the last remains of their beloved Governor being taken to the Leal Senado hall for the lying-in-state, thousands of local residents, foreign and Chinese alike, stood six deep along the sides of roads despite the sweltering heat of a blazing sun and saw the body of the late Dr. Artur Tamagnini de Souza Barbosa carried to the Se Cathedral where it will remain until its departure for Portugal.

Crowds had formed outside the Leal Senado early in the morning but inside an all-night vigil had been kept with armed guards from military and naval bodies watching over the corpse with fixed bayonets.

Throughout the night local officials and residents paid homage to the late Governor, while telegrams kept pouring in from all over the East, among which were messages of condolence from His Excellency Mr. N. L. Smith, C.M.G.; Acting Governor of Hongkong; Dr. Andrew Lin, Chinese Ministry of Foreign Affairs; German Consul in Canton; Mr. H. Bradley, Commissioner of Chinese Maritime Customs at Lapa; Sir Robert Ho Tung and Lady Ho Tung; Mr. B. K. Kwok, former Chinese Ambassador at St. James's, London; Japanese Consul in Hongkong; Acting Consul for Netherlands in Hongkong; Malayan Cadets; and similar messages from Portuguese communities in the Orient.

Owing to the early funeral service a more elaborate representation from abroad was impossible, but Mr. D. Bryan, H.B.M. Consul in Macao represented the Officer Administering the Government, Hongkong.

OAKEN CASKET

Soon after 11 o'clock, with thousands of foreigners and Chinese crowding every inch of the sidewalks over a long route, the oaken casket containing the remains of the deceased Governor was borne on a black-draped wagon from the Fire Department between lines of sailors, soldiers and policemen posted at close intervals along Run San Domingos, Rua do Hospital, Rua do Campo and Praia Grande. Officials and the people followed the hearse, behind which were Master Marco Antônio de Souza Barbosa, carrying his father's sword, Comm. Sánchez Miranda, A.D.C., and Dr. Gouveia Carvalho, Private Secretary.

Buglers posted along the funeral route sounded "Taps" as the cortège neared each point. As the funeral procession ascended to the Se Cathedral, outside which a detachment of sailors from the sloop N. R. P. Gonçalo Velho was drawn, salvoes from howitzers on Reclamation Ground were fired, each sound seeming like a solemn farewell to the departed Governor.

REQUIEM MASS

The Requiem Mass at the Se Cathedral, where the casket was placed in the centre of the nave, was attended by large crowds of officials of the consular, naval, military and civil bodies and foreign and Chinese residents. Dean Rev. Patrício Mendes officiating while Fr. M. Teixeira, curate of San Lourenço Church, delivered the elegy from the pulpit.

With guns firing every half-hour from the Monte and flags at half-mast, Government offices and public institutions remained closed yesterday and today while entertainment houses have also suspended their business for the two days.

Captain J. R. Moutinho, Vice-President of the Legislative Council and Director of Public Works,

JUST ARRIVED!

AN EXCELLENT VARIETY
OF

AUSTRALIAN CHEESE

AND

COOKED MEATS

CHEESE

RINDLESS EDAM FOR THOSE WHO LIKE A MILK CHEESE

GOUDA FOR THOSE WHO PREFER SOMETHING A LITTLE STRONGER

CHEDDAR FOR THOSE WHO LIKE A CHEESE WITH A BITE

GRUYERE FOR THOSE WHO LIKE SOMETHING A LITTLE DIFFERENT

ALSO Gruyere, Cheddar, & Cheddar Celery
Flavoured in Boxes of Six Portions Very Handy for the Picnic Basket or the Haversack

COOKED MEATS

PRESSED BEEF
PORK BRAIN
PRESSED HAM
OX TONGUE
BREAKFAST SAUSAGE
CHICKEN & HAM SAUSAGE

LANE • CRAWFORD • LTD.

The House of Quality & Service

Tel. 28151.

FRESHLY BAKED
PORK & OR
VEAL & HAM
PIES
MADE IN OUR MODEL
BAKERY

STRANGE FATAL ACCIDENT

There is a saying that "truth is stranger than fiction" and the following police report bears out the truth of that age-old adage.

While taking a dose of medicine on Sunday, Fung Chi-ting, 38 years, lost control of the spoon and both medicine and spoon went down his throat.

He was immediately rushed to the Queen Mary Hospital but it was too late to do anything for him and he died shortly after admission.

MINOR MISHAP

A car, driven by Miss V. Ivanchenko, was involved in a minor accident on Saturday evening. It was revealed in the Police report that Miss Ivanchenko was turning into Middle Road from Asheley Road when her vehicle collided with a stationary car.

Aside from a shaking Miss Ivanchenko suffered no injuries. Both cars were slightly damaged.

FIRST CLASS TIP

"Might I enquire, Sir, whether you have recently visited Spitzbergen or Baffin Island?"

"Of course I haven't."

"Then no doubt you are interested in some commercial form of refrigeration—chilled beef, for instance?"

"Nothing to do with it."

"In that case, Sir, you will have no objection to closing that window. It is exceedingly cold, and the draught is ferocious."

"I beg your pardon, Sir. I'm terribly sorry. Fact is, I've a most appalling headache, and the cold air does it good."

"You're telling me that Rose's fits this long! It's went?"

"I've never known it fall."

"Then, Sir, I am deeply indebted to you. Here is my card. I trust that we shall see more of each other. Much more. Are you by any chance free to dine tonight? Wonderful how these chance encounters change the course of one's whole life."

POLICE REPORTS

Several minor robberies, ranging from motor accessories to a radio, were reported to the police yesterday.

Mr. Ray Lee, of No. 29 Kimberley Road, reported that between 2 and 10 a.m. on Sunday someone entered his garage and stole a spare tire and wheel. Entrance was apparently effected by means of a duplicate key.

LOOTING ALLEGED

The police are still making enquiries regarding the authenticity of the reported looting of cargo—June No. 4079. The report made at the Shamshui Po Police Station on Sunday night, stated that eight men armed with daggers carried out the robbery.

N. A. A. F. L. LOSS

The manager of the Navy, Army and Air Force Institute reported to the police that a Philips radio receiving set was stolen from the Corporals' Room on Friday night.

WATCH STOLEN

Mr. C. W. E. Bishop, of the Public Works Department, has reported the theft of a watch and other articles valued at \$75 from a matched set Repulse Bay on Sunday.

Get the world's good news daily through
THE CHRISTIAN SCIENCE MONITOR

An International Daily Newspaper

Published by

THE CHRISTIAN SCIENCE PUBLISHING SOCIETY

One, Norway Street, Boston, Massachusetts

Regular reading of *The Christian Science Monitor* is considered by many a liberal education. Its clean, unbiased news and well-rounded editorial features, including the Weekly Magazine Section, make the Monitor the ideal newspaper for the home. The prices are:

(U. S. Money)
1 year \$12.00 6 months \$6.00 3 months \$3.00 1 month \$1.00 Saturday issue including Magazine Section.

1 year \$2.50 6 issues 50c and the paper is obtainable at the following location:

CHRISTIAN SCIENCE HEADING ROOM

First Church of Christ, Scientist

21a, Macdonnell Road,

Hong Kong

NEW ADVERTISEMENTS



Editorial and Business Office:
15-18, Queen's Road Central,
Tel. 30251.
Night Editor (Wanchai Office):
Tel. 24511.
London Office: 53, Fleet Street
E.C.4.

HONGKONG, JULY 18, 1940.

CHINA HOMeward CONFERENCE

(ADDENDUM NO. 11)

RATES OF FREIGHT

EFFECTIVE 16th JULY, 1940, the surcharge on rates of freight to direct ports of discharge in the United Kingdom of Great Britain and Northern Ireland, also Eire, will be increased from 30% to 70%. This surcharge will be consolidated in the freight rates (adjusted to the nearest 3d.) and a schedule of the consolidated rates will be issued as soon as possible.

Hong Kong, 16th July, 1940.

398

CHINA HOMeward CONFERENCE

(ADDENDUM NO. 12)

GULF OF ADEN & RED SEA PORTS CONFERENCE

(ADDENDUM NO. 5)

RATES OF FREIGHT

EFFECTIVE 16th JULY, 1940, minimum net rates of freight from Hong Kong to base ports on the Continent of Europe (excluding United Kingdom of Great Britain and Northern Ireland, and Eire), Black Sea ports (other than U.S.S.R. ports), all Non-European ports in the Mediterranean Sea (excluding Morocco), Gulf of Aden & Red Sea ports will be adjusted on the basis of a 70% surcharge over pre-war tariff rates, less 91% Cash discount. A schedule of consolidated rates (adjusted to the nearest 3d.) will be issued as soon as possible.

Hong Kong, 16th July, 1940.

399

THE HONGKONG & YAUMATI FERRY CO., LTD.

(LOST)

APPLICATION has been made to this Company to issue to CHEUNG SUI FONG (張瑞芳) of No. 2, Percival Street, 1st. floor, a duplicate certificate for 20 ordinary shares in the Company numbered 60365 to 60384 upon statement that the original certificate No. 6439 has been lost or mislaid; and Notice is hereby given that, if within thirty days from the date hereof no claim or representation in respect of such original certificate is made to the Company, the Company will then proceed to deal with such application.

THE HONGKONG & YAUMATI FERRY CO., LTD.

Hongkong, 11th July, 1940.

400

The marriage took place at Dalgety Church, Fife, on Monday, May 21, between Lieutenant Dennis Sanderson, Royal Navy, younger son of Mrs. and Mrs. Charles Frederick Sanderson, and Barbara Ethel Seymour, twin daughter of Mr. and Mrs. George Herbert Wright, of Willingdon, Eastbourne, and Shanghai.

Mr. Tsang Ting-tu, Director of the Political Department of the Executive Yuan, is scheduled to leave for Kunming today on an inspection tour of Yunnan. Mr. Tsang heads the Yunnan-Kweichow section of the political affairs circuit inspection group which started a nation-wide inspection of political affairs early last month. After Yunnan, Mr. Tsang and his group will continue their tour in Kweichow.

China Has Right To Demand That Route Be Kept Open

CHUNGKING, July 15 (Reuters)—Discussing the Burma road question, the Central Daily News, official organ of the Chinese Government, declares: "The Burma route is one of China's principal international communication routes. When Japan fails to subdue China in the field, she is exerting pressure on Britain to suspend goods transportation over this route in the attempts to force China to surrender."

The Chinese Government has repeatedly notified the British Authorities that it is seriously concerned over the issue.

Also China has the right to demand that the Burma route be kept open for international traffic. Furthermore, from the viewpoint of the Chinese people, the maintenance of Burma route traffic has the greatest importance in the continuation of the friendly relations between China and Britain. These two points are brief as well as clear. We hope the British Government will give them serious attention.

"Japan's policy towards Britain hitherto has always been to resort to threats. Obviously Japan is adopting the same policy in connection with the Burma route."

"Although Japan is dissatisfied with the policy of Sir Robert Cradock, the most Japan can do is to utter further threats. We hope the British Government will remain firm and not be blinded by Japanese threats."

Chinese circles are showing the greatest anxiety over the Burma road question. There are signs of keen disappointment over the reports of the British appeasement policy towards Japan.

SUMMONED BY KIT FAT WIFE

ALLEGATIONS OF ASSAULT

Hu Tai-chuen, of No. 70 Stanley Street, was summoned by his kit fat wife, Ng Chor-kay, of No. 6 Cochran Street, before Mr. H. G. Sheldon yesterday at the Central Magistracy on two counts alleging that he had been guilty of persistent cruelty to his wife and had deserted her.

The complainant, in evidence, said that she married defendant in January last year as his kit fat wife according to Chinese custom. Defendant, she said, worked in his father's shop, the Sang Sing firm, and received \$8.10 a day as salary. She alleged that altogether she suffered four major and several minor assaults during which the defendant was alleged to have punched and pinched her.

She said that defendant pawned her gold finger ring a month after their marriage and, a month later, when defendant returned from Macao, where he had lost his money, he pawned her earrings.

WAS PREGNANT

Complainant, further said that when the assaults took place she was pregnant. She added she went to the Alice Memorial Hospital where a daughter was born.

Defendant denied the allegations made by complainant and said that, as he was dependent on his father and had no employment, he had to pawn his wife's rings when he wanted money to buy presents.

As the complainant's and defendant's fathers were good friends the Magistrate adjourned the case to August 6 in order that the parties may come to a settlement.

Mr. M. A. da Silva appeared for the complainant.

part of the Empire. To the Orient, where tension prevails today and where considerable nervousness is being entertained as to the part which Japan, as the Eastern pupil of Totalitarianism, will play. Mr. Churchill's words should convey encouragement and the peoples of the British Empire cannot but be of good cheer and feel confident in the ability of the home country to overcome every threat that is being made against their liberties and interests.

THESE ARE FACTS which have emerged from Mr. Churchill's speech and which have given courage and confidence to the British people throughout the Empire. The rest of the world now watches and waits for the beginning of the struggle which will settle the final issue once and for all of whether civilisation should survive, or whether brute force will be allowed to rove rampant over the world, carrying to every quarter of the world where the British flag flies. In the words of Mr. Churchill, the British Empire stands today in "good health and heart."

EDITORIAL

Newsettes

Mr. L. E. Brown, of the Standard Vacuum Oil Co., left the Colony on Friday for the States.

Mr. R. F. Pirard, Superintendent for China, Stern Ltd., London (China Agency) left the Colony for the North on Friday.

Miss Mildred M. Owen, of the National Committee of the YMCA, Shanghai, left Hongkong for the North on Friday.

Railway Line Damaged

CHINESE LAUNCH ATTACKS

CHUNGKING, July 15 (Central) — Vigorous Chinese attacks have been made against the Japanese along the Peiping-Hankow Railway, in south Honan and north Hupeh. Traffic between Changchuanwan, Sinyang and Tunghua-nitai, Kwangshui sections has been disrupted as a result of damage to the railway track.

Two more units of puppet troops under the command of Fan Chuan-ping and Chen Hsien-tang respectively have defected in east Honan. After destroying the highway between Suhsien and Khien, they surrendered to the Chinese side.

AMMUNITION DUMP GUTTED

A Japanese ammunition depot at Pengpu on the Tientsin-Pukow Railway in northern Anhwei, 110 miles north of Nanking, is reported to have been gutted by fire.

Suspecting sabotage, the Japanese arrested over 500 Chinese civilians. Fighting in south Shansi has been intensified. A Japanese column of about 2,000 from Hungtung is pushing eastward while another Japanese column of about 1,000 is pushing westward from Tsinhsien. Chinese troops have been sent to engage them.

In west Shansi the Japanese at Liulin have launched an offensive to the south of the Lishin-Kunyu highway. They have met with stiff Chinese resistance.

Chinese "mopping up" operations are proceeding satisfactorily at points north of Hotsin.

NEW JAPANESE ATROCITY

CHUNGKING, July 15 (Reuters) — Catholic Church properties in and near Chungking suffered losses as a result of Japanese air bombing during the past month totalling \$5,000,000.

Among the Catholic properties demolished or damaged were St. Joseph's Church at Peiping, the Girls' School, the Catholic Cathedral of St. Paul, the Middle School, the Carmel Monastery, the Ming Te Middle School, the Ten Chin Primary School, and the Church of the Sacred Heart.

The death occurred at the Shanghai General Hospital, on July 8, after a brief illness, of Filomena Vicita Madela (Manu) aged 65. The funeral took place on July 10 at the Hungtung Road Cemetery.

MORE 'NEWSMEN' ARE 'WANTED'

SHANGHAI, July 15 (Reuters) — Following the recent order for the arrest of 83 prominent newspaper publishers and editors, the "Reorganised" Chinese national government at Nanking has now ordered the arrest of four other newspapermen, says a Nanking message to the Central China Daily News.

The four who have been placed on the "Black List" include Mr. L. Z. Yuan, Chinese reporter on the Shanghai Evening Post and Mercury, Mr. Kyatang Woo, managing editor of the China Press, Mr. Hoh Chihh Siang, translator of the China Weekly Review, and Mr. Chwang Chin Liang of the local Chinese Daily.

WANG SIGNS WARRANT

The warrant for their arrest stated that the four men sought refuge in the foreign newspapers in the International Settlement and are engaged in spreading rumours which are calculated to incite assassinations and kidnappings to the detriment of public peace and order and the peace movement.

The order for the arrest of the four was issued in the name of Wang Ching-wei. In his official capacity of Acting Chairman, concurrently President of the Executive Yuan of "Reorganised Chinese National government at Nanking."

PICKET DUTY RESUMED

The Hongkong Police yesterday resumed picket duty which had been abandoned for some time.

TUESDAY, JULY 16, 1940.

S'hai Business Symbolises China At War

Present economic and financial conditions at Shanghai are the object of the most contradictory comment. They are lauded by some and loathed by others. They are described as illustrating Shanghai business' triumph over all adversity. They are said to represent utter chaos. They are, at any rate, bewildering to the outsider even in the Far East, and they may be hardly intelligible to the average business man in the United States or in Europe. Yet current Shanghai conditions only demonstrate the economic and financial complexities of a China at war who has just entered upon the fourth year of a gigantic fight for its very existence.

The present state of Shanghai business symbolises, at the same time, the strength and tenacity of China's resistance as well as of Japan's onslaught. The sufferings and devastation in the Nippon-occupied areas as well as the limitations of the Japanese war juggernaut; the white man's effort to maintain western China's business; and the general effort of business as such to retain a certain amount of independence from the towering of storm waves of nationalism and militarism.

The heart of Shanghai's economy and finance has shifted to the exchange market, and it is here that China's will and capacity to resist Japan makes a most remarkable show of strength in the maintenance of a freely convertible Chinese currency.

Shanghai has ceased to function as a wide open door to the interior of China. The Japanese, in all lines of trade and finance, are imposing themselves as middlemen between Shanghai and the occupied interior.

There is no light without shadows. There is hovering over Shanghai the ever-present threat of a desperate Nipponese military coup to seize the western-controlled parts of the International Settlement and the French Concession. This threat, in view of European preoccupation with another Great War, today certainly is greater than ever, and it is chiefly fear of the United States' reaction that is holding back the military extremists of Japan.

There is one remarkable side of China at war which Shanghai fails to demonstrate. That is the new economic development going on in Free China. There is little new creative economic activity at Shanghai, and there is but reluctantly participation in financing the new construction in Free China. Substantial amounts of Shanghai capital, it is true, poured into Free China for investment in various economic ventures. These amounts, however, so far but poorly compare with the capitalist potentialist potentiality of Shanghai.

It certainly would be to the advantage of both Shanghai and China, in general, if part of the speculative capital now active at Shanghai could be diverted to the country's still independent interior to assist in building up there a new economy on which, in the end, the future of Shanghai will have to rely once the war-time anomalies of the Shanghai situation have disappeared.

BRITONS MUST GO FROM CHINA! SAYS NEW S'hai SOCIETY

THREAT TO USE FORCE!

Threatening to use force to drive out the British from China, a new organization called the "British Extermination Corps" of the Republic of China has been formed, and although the address of the new group could not be ascertained yesterday, it is believed likely that it is located in occupied areas and maintains a branch office in Shanghai, says the North China Daily News of July 9. The Shanghai branch office has sent out printed anti-British warnings bearing its seal.

WARNINGS MAILED

One of the warnings has been mailed to the offices of this journal. It is printed on a sheet of ordinary Chinese letter paper, like that used by many propagandists in occupied areas since the outbreak of the Sino-Japanese hostilities.

It is not known just how big the new corps is and whether or not it is military in nature, but the term "corps" in the Chinese language usually suggests some military affiliation.

MASS TORN AWAY

"You British troops! The mask of your imperialism has been torn away and your brutality and meanness are now known to the world," the warning begins. It goes on to explain that those who save others will be saved and

The police in west front district denied that they had carried out any raids on several houses early yesterday morning as was reported in the press.

ALL ENGINEERS REQUIRED

LONDON, July 15 (Reuters) — The Ministry of Labour has issued an order in Britain calling all professional engineers with qualifications to register.

Once the list is complete, the Ministry will be able to draft men wherever efficient men are needed urgently.

The order applies to aliens.

TERRIFIC AERIAL BATTLE OVER THE CHANNEL

British Fighters Break Attack, Shoot Down Four Nazi Bombers

LONDON, July 15 (Reuter)—There was a terrific aerial battle, miles above the Channel, off south-east England yesterday afternoon.

When enemy raiders approached the coast, anti-aircraft guns opened fire. Then British fighters roared into action. The sky was filled with white plumes from bursting shells and the roar of machine-guns mingled with the roar of the planes' engines. So far one Nazi plane is believed to have been shot down.

"Eye-Witness" states the battle began when German dive-bombers attacked a convoy off the shore.

We Shall Not Falter

LONDON, July 15 (Reuter)—In a message welcoming the Polish and Czech troops, who recently arrived in the United Kingdom, Mr. Anthony Eden, said:

"From the high seas and from the air, and from every base of operations within the British Empire, we are resolved, with your valuable aid, to attack and overwhelm the forces of our common enemy, and we are further resolved never to relinquish that sacred cause until your beloved country, for which you had bled and suffered for so long, has been restored once and for all to her own sons and daughters."

CANADIANS GET THERE

LONDON, July 15 (Reuter)—The Canadian Department of Defense in Ottawa announces that the Fusiliers Montroyal (a Montreal infantry regiment) and the Cameron Highlanders (a mounted machine-gun regiment) have arrived safely overseas.

No indication is given as to where they have been landed.

Benes Thanks Royal Navy

LONDON, July 15 (Reuter)—In a message to Mr. A. V. Alexander, First Lord of the Admiralty, thanking the British Navy for its services in evacuating the Czechoslovak Army from France, Dr. E. Benes says, "The link of gratitude thus forged between the Czechoslovak Army and the British Navy draws our two peoples closer together in the common endeavour." Mr. Alexander, replying, said "We know now that by this joint resistance against the onslaught of the enemy the tie of common interest between our two fighting forces have been made unbreakable."

SMALL POST TAKEN BY ENEMY

CAIRO, July 15 (Reuter)—A British communiqué states that in the northern frontier district our garrison is still holding out at Moyale in the neighbourhood of which severe fighting continues between Italian and British reinforcement.

In Somaliland a small frontier post at Abdul Ghadir was attacked and captured by the enemy in considerable strength.

In the Western Desert casualties were again caused to Italian motor transport columns attempting to supply the fort at Capuzzo.

Mersa Matruh was ineffectively bombed.

S'HAI BOUNDARY BARRIERS DOWN

Further proof of Shanghai's return to normal was given on July 10 when the barrier between the International Settlement and Chapel was opened at 10 a.m.

The barrier at the corner of North Hanon and Boundary Roads since August 1937, will remain open daily from 5 a.m. to 10 p.m.

The agreement for the opening of this barrier came after lengthy conversations between the Imperial Japanese Naval Landing Party and the British military authorities and the Shanghai Municipal Council.

The American Consulate General at Shanghai will appreciate the receipt of information as to the present whereabouts of Elmer (alias Almer, alias Mymel) Anderson, and James C. Noble.

Word "Defeat" Should Be Expunged

LONDON, July 15 (Reuter)—In a presidential address at the annual conference of the Mineworkers Federation, Mr. W. Lawther urged that the word "defeat" be expunged from our language.

We must either conquer the force of Fascism or go down to a level of abject slavery.

The British Government must exercise the same measures against quislings as is employed against the enemies abroad.

We are resolved to see the struggle through to the end and there can be no compromise with the assassins of liberty.

Four German bombers are now believed to have been shot down by British fighters which broke up the attack and drove the raiders back across the Channel.

One German bomber was seen to dive towards the sea with smoke pouring from it. The pilot baled out at a height of about 1,000 feet and parachuted down to the sea.

The battle ended with a Spitfire chasing two bombers out to the sea. It is believed that it brought down one of the bombers and then went in pursuit of the other.

GERMAN LOSSES 4 TO 1

Later reports show that three British fighters were altogether lost in repelling the enemy attack on our shipping and the coast yesterday in the course of which 12 enemy aircraft were destroyed and another damaged.

An Air Ministry communiqué states that enemy aircraft, which were attacking shipping in the Straits of Dover early yesterday evening, were intercepted and five of them—one fighter and four bombers—were shot down into the sea by our fighters. In addition, an enemy bomber was shot down by anti-aircraft fire.

One of our fighters was lost. An Air Ministry bulletin states that more large concentrations at Bruges and St. Pierre, a few miles north of Bruges, were destroyed yesterday when Blenheim bombers of the Coastal Command renewed the attack.

WAREHOUSES BOMBED

The Blenheims dropped many incendiary bombs and scored direct hits on the barges, and started many fires on the canal bank. One pilot, picked up by a concentration of searchlights, bombed that too, his bombs bursting in the middle of a ring of light. A gunner of another Blenheim fired down the beam of a searchlight and extinguished it.

Much damage was done by a Hudson aircraft of the Coastal Command during last night when the pilot bombed the Dutch harbour at Harlingen. His heavy bombs exploded in the warehouses adjoining and the quay.

As he turned away he could see explosion after explosion in the warehouses which was already in flames. The blaze was still visible when the aircraft was well out at sea.

GERMANY ATTACKED

LONDON, July 15 (Reuter)—An Air Ministry Communiqué states that on Saturday evening aircraft of the Bomber Command attacked

various objectives in north-west Germany. Two of our bombers failed to return.

Last night bombers continued the attacks. The objectives included the docks at Hamburg, Bremen, Wilhelmshaven and Emden, aircraft factories at Bremen and Delchhausen, oil refineries in Monheim and Hamburg, supply factories at Grevenbroich, Gelsenkirchen and Hamburg and godowns at Hamm, Osnabrück, and Scoc.

AERODROMES BOMBED

Fourteen enemy aerodromes in Holland and Germany were also attacked.

One of our bombers, on the way home, shot down an enemy fighter, and all our aircraft returned safely. Last night Coastal Command aircraft attacked ammunition dumps in Harlingen, on the Dutch coast, and concentrations of barges in the vicinity of Bruges. Hits were obtained, causing explosions and fires.

One of our aircraft is missing.

Nazis Will Be Wiped Out

IF THEY INVADE BRITAIN

LONDON, July 15 (Reuter)—Measures to wipe out German forces trying to invade Britain were referred to in a broadcast talk on Saturday night by Mr. A. V. Alexander, First Lord of the Admiralty.

Naval dispositions were such, he said, that they ensured the warmest reception for any seaborne invading forces.

The R.A.F. will give ample warning of any such expedition.

German attempts at blockade by making intensified attack on shipping are only temporary and will not be sustained.

BRITISH SHIPPING

Britain is still handling 2,250,000 tons of shipping each week at her ports. Successful attacks on ships in British convoys are still only at the ratio of one in 681.

THE BRITISH ISLES

The British Isles are still the main stage of our war effort and from the base from which we seek out and destroy the enemy.

Although in the last extremity we will fight from the Dominions, the time required for final victory will be much shorter if we continue to hold this island.

R.A.F. BOMBERS RAID STORES IN ERITREA

CAIRO, July 15 (Reuter)—An R.A.F. communiqué states:

"A formation of our bombers raided stores and barracks south of Assab in Eritrea. Fires were started which could be seen for 30 miles.

"Shipping in Tobruk harbour was again attacked by our bombers. Full results are not yet known, but a column of black smoke was observed on the shore after one attack.

"All our aircraft returned safely.

"The enemy attempted two night raids and one yesterday morning on Malta. None of the raids were successful and there were no casualties or damage.

"During a raid by about five planes today heavy bombs exploded in a south-east district. The only damage was the shattering of some windows in isolated buildings. There were no casualties.

Mr. A. M. Chapelain, Postal Director of Shanghai, was due to leave Chungking on his return trip to Shanghai yesterday. Mr. Chapelain travelled to Chungking to report on postal conditions in Central China.

"Palestine had its first air raid yesterday morning, when bombs were dropped on the neighbourhood of Haifa.

"No details are yet available but it is reported that there was some damage and a few casualties."

RAIDING ON HIS OWN

LONDON, July 15 (Reuter)—Five bombs were dropped in south-east England last night by a lone raider flying at a great height.

Buildings were shaken by the explosions but apparently there was no damage.

During a raid by about five planes today heavy bombs exploded in a south-east district. The only damage was the shattering of some windows in isolated buildings. There were no casualties.

Mr. A. M. Chapelain, Postal Director of Shanghai, was due to leave Chungking on his return trip to Shanghai yesterday. Mr. Chapelain travelled to Chungking to report on postal conditions in Central China.

LONDON, July 15 (Reuter)—The United States Ambassador to France, Mr. Bullitt, left Madrid for Lisbon by air yesterday.

The American Consulate General at Shanghai will appreciate the receipt of information as to the present whereabouts of Elmer (alias Almer, alias Mymel) Anderson, and James C. Noble.

CABLE

Word "Defeat"

Should Be Expunged

LONDON, July 15 (Reuter)—In a presidential address at the annual conference of the Mineworkers Federation, Mr. W. Lawther urged that the word "defeat" be expunged from our language.

We must either conquer the force of Fascism or go down to a level of abject slavery.

The British Government must exercise the same measures against quislings as is employed against the enemies abroad.

We are resolved to see the struggle through to the end and there can be no compromise with the assassins of liberty.



Budweiser

THE CANNED BEER

SOLE AGENTS:

CALDBECK, MACGREGOR & CO., LTD.

TELEPHONE NOS. 20075 & 30644.

Maintenance Case

SHANGHAI COURT GRANTS WOMAN'S APPLICATION

On the application of Mrs. Audrey McKevey Mallett, represented by Mr. K. E. Newman, Assistant Judge P. Grant Jones in H. M. Supreme Court, Shanghai, on July 8, made an order for her husband, Mr. Frederick Charles Mallett, to pay her \$200 monthly maintenance for herself and their child.

Coming after the action at Oran, Mr. Churchill's expressed determination to defend London street by street if necessary is taken at its face value.

His whole address has put most thinking Americans in better heart than at any time since the French disaster.

INTEREST IN TURKEY

ISTANBUL, July 15 (Reuter)—Intense interest is aroused in Turkey by Mr. Churchill's broadcast, which is seen as typical of his clarity and forthrightness which has always appealed to the Turkish people.

Mr. Churchill's fearlessness and ability to present facts as they are, while at the same time appealing to the courage and imagination of his hearers, together with the clarity of his policy are regarded here as exactly the qualities necessary to lead the country to victory as Kemal Ataturk did in Turkey.

British prestige is extremely high in Turkey at present. Every British success in the war and every outstanding British speech is prominently displayed in the newspapers and eagerly discussed in the streets.

Mrs. Mallett was called to prove the agreement. She told the court that she was living with her parents and was not paying them anything. She was earning \$110 a month the said.

APPEALITION OPPOSED

Mr. Mallett in opposing the application, said he had never refused to give his wife more than the original amount mentioned in the agreement and explained that his income of \$630 also included high cost of living, and was not fixed, hence the reason for his opposition to the application.

Counsel suggested an order for defendant to pay his wife a third of his income which he said would obviate the necessity of further review to the payments under the agreement. Mr. Mallett objected, declaring that it would leave him an insufficient amount to live on. He was then ordered to pay \$200 a month and costs of the application, subject to an undertaking on the part of counsel to review the payments should there be a decrease in his income in the future.

The Minister of Education, Mr. Chen Li-fu, and members of his party who are studying administrative conditions in the Northwest provinces left Lanchow by plane for Ninghsia province on July 4. The party will return to Lanchow before setting out for Tsinghai (Kokonor) province to continue their tour of inspection.

The engagement in Shanghai of Mr. Mark D. Levy, of Kobe, son of Mr. D. M. Levy, of Manchester, to Ethel Mansfield, former Concorde, daughter of Madame Marcelle Heimberger, of Shanghai.

THE SEVENTH DESTROYED

LONDON, July 15 (Reuter)—The Air Ministry now states that it is confirmed that a second enemy fighter was shot down in last evening's engagement over the Straits of Dover.

This is the seventh enemy aircraft destroyed in this particular engagement.

for five months only when she was asked to evacuate.

"The people are calm, but very annoyed about this business of evacuation," was her only comment to me.

Classical Records

H.M.V. RECORDINGS

DA.101	HUMORESKE, Op. 101, No. 7 (Opéra)	Fritz Kreisler, Piano accomp. Carl Lamson
DA.151	HUNGARIAN RHAPSODY, No. 2 (Suite)	János Jan Paderewski
DA.201	HUNGARIAN RHAPSODY, No. 2 (Suite)	Pianoforte Solo
DA.251	HUNGARIAN RHAPSODY, No. 2 (Suite)	Leopold Stokowski and the Philadelphia Orch.
DA.301	HUNGARIAN RHAPSODY, No. 2 (Suite)	Janette MacDonald with Orchestra
DA.351	INVITATION TO THE WALTZ (Waltz) VOICES OF SPRING (Waltz)	Millie Korris with Orchestra
DA.381	JEZEBEL, TANGO ZIGANE (Suite)	Boston Promenade Orchestra
DA.431	ENTRY OF THE ROYARD (Hárvány) March	James MacFadden with Orchestra
DA.471	ONE KISS—"The New Moon" LOVER, COME BACK TO ME—"The New Moon"	Richard Crooks, Tenor
DA.500	PIPPA—"The Blue" ONLY A BOSS—"The Vagabond King"	Richard Crooks, Tenor
DA.509	THE SONG OF SONGS (Song) AH! SWEET MYSTERY OF LIFE—"Nightingale"	Richard Crooks, Tenor
DA.531	CASTLE IN THE AIR—"Piano Lovers"	Richard Crooks, Tenor
DA.532	BONJOUR MADAME (Ballad) (Delibes) SONG OF INNOCENCE	Annette Galli-Giulini, Soprano

TUESDAY, JULY 16, 1940.

Profit And Loss Account Of Japanese Air Raids

Enthusiastic response has been received to the National Defense Committee's call for articles for members of China's air force. Officials of the committee spoke enthusiastically of the gallantry and heroism of the force. Often outnumbered and fighting against great odds, the air defenders have written a glorious chapter of China's resistance.

The sentiment expressed by all officials has been shared by all circles. Speaking before the weekly memorial service at the Central Kuomintang Headquarters, Generalissimo Chiang Kai-shek paid a high tribute to the successes of the air force.

Under the title "In Eulogy of the Air Force," Ta Kung Pao, Chungking daily, wrote: "It may be said that our air defenders have displayed the fighting spirit in its highest caliber. The war record of our air force proves the superiority of its personnel, the excellence of its morale and the high standard of its moral conceptions. All these go to show the perfection of its training."

Of all the foolish things our enemy have done, none surpasses the indiscriminate bombings by which they hope to bring China in line. The journal begins: Japan has used a million troops to conquer China against which China has resisted in her resistance for three years. Is it not pure fancy that they now try to subjugate China by employing over 100 planes to bomb Chungking? How futile the enemy efforts have been may be seen from the extremely low list of casualties Chungking has built reliable dugouts to take care of its tens of thousands citizens.

COST OF EXPEDITION
The journal then calculates the cost of a bombing expedition to Chungking. Even if all the 100 planes return safely, the cost of a trip amounts to over yen 12,210,000.

The paper's estimate is: Oil: If each plane consumes 70 gallons of gasoline per hour, then the 100 planes will burn 70,000 gallons in ten hours on the entire trip. Calculated at three yen a gallon, the cost for the 70,000 gallons is yen 210,000. This excludes

JAPAN MAKES ANOTHER DEMAND

SHANGHAI, July 15 (Reuter)—The Japanese have warned British shipping to leave China's four remaining unoccupied coastal ports, namely Foochow, Santiao, Wenchow and Ningpo as they intend to start action against them on July 16, after which they will not assume responsibility for any damage.

It is understood that the British are insisting on their right to remain, enter and leave these ports and will continue normal sailings. They will, it is further stated, hold the Japanese responsible in the event of any damage.

PUPPETS JOIN CHINESE

CHUNGKING, July 15 (Reuter)—Of a total of 400,000 puppet troops, over 150,000, with 75,789 rifles, have mutinied and joined the Chinese forces, according to General Li Chai-sum, Deputy Chairman of the Political Affairs Commission.

Accordingly, the enemy loss in each raid is ten times that of China, the journal says. As an illustration, it mentions the few thousand dollars the Central Daily News spent for repairs to its building damaged in one of the raids. Around the building, more than ten duds were found!

Besides, up to June 17, at least 39 Japanese planes which had raided Chungking and its outskirts since April 22 were brought down, according to a report released by the Chungking Air Defense Headquarters. This number does not include wrecks of planes not yet discovered.

HEAVY BOMBERS

Most of the known casualties of enemy raiders were heavy bombers. Only one scouting plane was brought down during that period. If each plane carried an average crew of five, the human loss to the Japanese air force is estimated at around 200. If it takes an average of yen 30,000 to train a member of the enemy air force, the dead

would cost Japan yen 6,000,000 in their recent Chungking raids, in addition to the costs estimated by the Ta Kung Pao.

Only a few of the invading planes were brought down by the Chinese anti-aircraft guns. Most of the hits were scored by the fighting planes.

Heavier losses were inflicted on the enemy raiders when they came in larger numbers during the last few raids. In the four raids between June 10 and 18 the Japanese lost nineteen planes. Their wrecks are being gathered for an exhibit in Chungking.

Altogether there were seventeen alarms in Chungking, but only fourteen turned out to be actual bombings, during the 57-day period between April 22 and June 17. The longest alarm was on May 17, which lasted six and a half hours from dusk to early next morning.

On the average, each raid lasted three and a half hours, and the people of Chungking spent 59 and a half hours in or near dugouts during this time.—(C.I.C.)

GENERAL

HUGE DRUG HAUL MADE IN SHAI

ANONYMOUS LETTER SEQUEL

An anonymous letter received by the French Police helped them to seize a large quantity of narcotics in Route des Soeurs at 11:30 a.m. on July 8.

KOREAN NATIONALS

Since the drug traffickers were of Korean nationality, the French Police asked the Japanese gendarmerie to co-operate in making the arrests and seizing the drugs.

Upon receipt of the anonymous letter, the French Police went to Houses 1 and 2, Lane 241 Route des Soeurs, where three Koreans, two of them women, were reported to be concealing a large quantity of morphine and heroin.

A cordon of police was thrown around the houses and the agents entered a room in house 1 where they found three trunks full of morphine. In another room, occupied by the Koreans in house 2, the police, after a long search, found about five pounds of heroin secreted in a double-bottomed drawer.

\$20,000 IN NOTES

Not satisfied with this search, the law officers continued to ransack the room and found \$20,000 in notes. Police officials could not say where such a large sum of money came from, but believed that it was obtained through selling narcotics.

The arrested women and man were handed over to the Japanese gendarmerie and will answer to the charges of drug trafficking in the Japanese Consular Court. The narcotics were also handed over.

When questioned about the letter, French police officials stated that they had no idea whatever where it came from, but thought that the trafficker was betrayed by one of their dissatisfied colleagues.

The value of the seized narcotics was estimated by the French police at about \$25,000.

BURMA ROAD ISSUE

CHINESE PRESS COMMENT

In an editorial today, the Lih Pao views with reserve Tokyo's report of a British compromise in connection with the Burma Road issue.

Drawing a distinct line between the French Indo-China-Yunnan Railway and the Burma Highway, the paper believes that Britain will not likely acquiesce in the Japanese demands as the French did regarding the railroad.

The purpose for the construction of the Burma Road and the rights and privileges thereof are sharply different from those of the French Indo-China-Yunnan Railway, the paper points out. The nature of this overland route may be gauged from the report that official Chinese circles emphasize China has the right to demand the Burma Road be kept open for trade.

PLENTY OF SUPPLIES

The paper believes that Japan will not dare to exercise the same measures against Burma as he has against French Indo-China.

The paper concludes by asserting that the Burma road issue will have little adverse effect on China's resistance. Even if the road is closed, China will be able to continue her resistance, for she has already stored up large quantities of supplies.

Sharing the same view the Lih Pao, the Wah Kiu Yat Pao says that there is still the China-Soviet Russia highway left, if anything happens to the Burma road. Traffic is going on smoothly on this route and it is difficult for Japan to disrupt it.

ESCORT LOST

LONDON, July 15 (Reuter)—An Admiralty communiqué announcing the loss of the destroyer, Escort, says that she was lost in the western Mediterranean when she was hit by a torpedo.

The value of the seized narcotics was estimated by the French police at about \$25,000.

"THE SHOW WILL GO ON"

The Japanese may destroy the theaters, but the show will go on," said an official of the China Film Factory, "for we have itinerant movies. The street of Chungking is the theatre of the people. With the cooperation of the New Life Movement we will continue to give entertaining and informative pictures to the populace in the open air."

During the June 12 bombing, when 154 Japanese planes dropped bombs on the city proper, Chungking's four cinema houses were among the non-military targets affected. One of them was hit, while the others were shaken. The property damage, however, was small as the movie equipment had been evacuated. As a precautionary measure, indoor shows are suspended during the bombing season.

Meanwhile, Chungking's movie industry goes on. "We are still producing new pictures," asserted the official. A visit to the studio proved the statement. A scene was being filmed showing a Japanese soldier abducting a Chinese woman inside a Buddhist temple in Hunan, for the film "North Hunan Victory." The informant added that this picture will be released in Kunming and Hongkong within two months. Two other pictures will be shown simultaneously, "Light of Fast Asia," and "Our Hometown."

WORK AS USUAL

He explained that the pictures would have been released earlier, had work not been hindered by bombings. Nevertheless, in the intervals between air raids the people in the studio continue to work as usual. The release of "Secret Agent of Japan" and another picture dealing with Sino-Mongolian cooperation against Japanese imperialism will be postponed until late this year.

The China Film Factory is now making a cross-sectional record of the various tribes in China who are doing their bit for the nation.

Recently it released in Hongkong—(C.I.C.)

BOMBAY TO GO 'DRY'

BOMBAY, July 15 (Reuter)—The position regarding prohibition in Bombay has been clarified by an official statement.

Broadly speaking the effect of the proposed new regulations is that there is no restriction on the purchase from licensed vendor, or possession, of foreign liquor.

The manufacture and sale of country-made liquor will be punishable, but country-made liquor may be brought into Bombay provided a special excise duty is paid.

OVERSEAS CHINESE STAND LOYAL

CHUNGKING, July 15 (Central)—The Chinese General Chamber of Commerce, the Cantonese Guild and the Hanan Residents Guild in Singapore have sent messages to the Chinese Air Force, paying a tribute to its gallant defense of Chungking in recent Japanese air raids.

Messages from overseas Chinese have, meanwhile, been pouring in. Pledging continued support of the war of resistance which has entered the fourth year. The latest received included those from the overseas Chinese in Singapore, Mexico, Malacca, and Milwaukee.

"News of the Day" picture depicting the recent Chinese victory on the Honan-Hsueh border. Another company, the Central Motion Picture Studio, is continuing its filming of pictures. A third one, the Northwest Film Studio in Chengtu, is producing a picture called "Long Live the Chinese People."

These three studios, together with two others in Hongkong—the Christian Films Company, Ltd., and the Tati Pictures Company—recently formed a syndicate for marketing their output abroad and regulating it according to demand. Lo Ming-yau, secretary-general of the Hongkong chapter of the Wartime Chinese Movie Workers' League, has been elected general manager of the syndicate.

DIRECTORY & CHRONICLE

of



\$12⁰⁰

PER COPY

\$12⁰⁰

PER COPY

PUBLISHED SINCE 1862

REVISED AND ENLARGED ANNUALLY

AN ESSENTIAL REFERENCE BOOK FOR ALL BUSINESSMEN

ORDER FORM

To THE HONGKONG DAILY PRESS, LTD.

MARINA HOUSE, 15-19, QUEEN'S ROAD, CENTRAL, HONG KONG.

DIRECTORY & CHRONICLE OF CHINA, JAPAN, MALAYA, ETC.

1940 EDITION—\$12.00 PER COPY (PACKING & POSTAGE EXTRA).

PLEASE SEND US COPIES OF THE 1940 EDITION.

NAME.....

ADDRESS.....

LAMMERTS' AUCTIONS

PUBLIC AUCTION.

THE Undersigned have received instructions

To SELL BY

PUBLIC AUCTION

on Thursday, the 18th July, 1940 commencing at 10.30 a.m.

at No. 4, Tak Shing Street, Top Floor, Kowloon.

A QUANTITY OF VALUABLE HOUSEHOLD FURNITURE

comprising:-

Upholstered Couch and Arm-chairs. Spring and Leather Arm-chairs and Chairs. Teakwood Cabinets, Bookcases, Glass Top Tables, Bedsteads, Dressing Tables, Wardrobes, Chests of Drawers, Ornaments, Cutlery, Books, Wall and Table Clocks, Poker Table, Ceiling and Table Fans, Lights and Fittings, Cooking Utensils, etc., etc.

also

1 Fine Carved Dining Room Suite by "Arts and Crafts, Shanghai"

1 Grandfather Clock "Westminster Chimes"

1 New Gas Stove

1 Kelvinator (in working condition)

1 Cine "Kodak" Projector and Camera

1 1939 New "Philco" 11-tubes Radio-gram.

1 1940 New "Philco" 11-tubes Radio

and

Several New Tientsin Carpets (First Quality)

On View from Wednesday, the 17th July, 1940.

Terms: Cash on Delivery.

LAMMERT BROS., AUCTIONEERS.

PUBLIC AUCTION.

THE Undersigned have received instructions from The Liquidators and Others

to sell by

PUBLIC AUCTION

on Friday, the 19th July, 1940 commencing at 2.30 p.m.

at their Sales Room, No. 35, Han-kow Road, Kowloon.

A QUANTITY OF VALUABLE HOUSEHOLD FURNITURE

comprising:-

Bedsheets, Wardrobes, Chests of Drawers, Dressing Tables, Chesterfield Suites, Sideboards, Dining Tables, Chairs, Tables, Desks, Cabinets, Bookcases, Radios, Typewriters, Clocks, Electric Ceiling and Table Fans, Curios, Ornaments, Carpets, Rugs, Brass, E. P. Porcelain and Glass Ware, Cutlery, Blackwood and Rattan Furniture, Cooking Utensils, etc., etc.

also

A QUANTITY OF SILVER WARE

and

1 Frigidaire
1 Upright Piano by "Moultrie"
1 Gas Stove
1 Bed Room Suite

On View from Thursday, the 18th July, 1940.

Terms: Cash on Delivery.

LAMMERT BROS., AUCTIONEERS.

LAMMERTS' AUCTIONS

PUBLIC AUCTION.

THE Undersigned have received instructions from The Official Administrator, Supreme Court and others

to sell by

PUBLIC AUCTION

on

Wednesday, the 17th July, 1940 commencing at 12 o'clock noon

at their Sales Room, No. 2, Connaught Road, Central, Room No. 205, Second Floor.

A COLLECTION OF SILVER AND E. P. CUTLERY, ETC.

also

1 Telescope

2 Pairs Binoculars

1 Hydrometer

1 Sextant

1 Azimuth Mirror

1 Travelling Clock

2 Kegs Aniline Dyes

and

A Quantity of Miscellaneous Goods

Terms: Cash on Delivery.

LAMMERT BROS., AUCTIONEERS.

PUBLIC AUCTION.

THE Undersigned have received instructions

to sell by

PUBLIC AUCTION

on

Wednesday, the 17th July, 1940 commencing at 10.30 a.m.

at the Basement of No. 2, Wood Road.

A QUANTITY OF VALUABLE HOUSEHOLD FURNITURE

On View from Tuesday, the 16th July, 1940.

Terms: Cash on Delivery.

LAMMERT BROS., AUCTIONEERS.

RAW SILK PRODUCTION OF SZECHWAN

Latest reports from the various silk producing districts in Szechwan give the province's silk production at 17,000 piculs. This is about 2,000 piculs better than the 1939 spring yield, and more than doubles the 1936 production of 8,000 piculs.

Cocoons, this year will be bought by the Szechuan Silk Corporation, a joint concern of local silk merchants and the Foreign Trade Commission which will export Szechuan raw silk to foreign markets. The corporation has appropriated \$20,000,000 for the buying campaign. Of this sum, \$8,000,000 comes from the corporation and the remaining \$12,000,000 from Chinese banks as loans.

Part of the cocoons will be made silk from small native merchants and silk farmers.

CAPITAL RAISED

The capital of the corporation has been raised recently to \$4,000,000 in view of the expansion of the silk industry. It is now acting for the Foreign Trade Commission in the buying of Szechuan raw silk for exportation.

Silk, one of China's leading export goods, brought China more than \$142,000,000 in 1939.

Besides the Szechuan Silk Corporation, other government and public organizations are also interested in Szechuan's silk industry. The sericulture department of the Szechuan Agricultural Improvement Institute keeps an experimental station at Nanchung, another Szechuan silk centre, for the study and improvement of silkworm eggs. The Szechuan Silk Extension Commission maintains six extension stations.

MODERN FILATURE

The first modern silk filature in Szechuan was established in 1908 at Santal, northern Szechuan silk centre, with 120 reels. Since then, Szechuan's silk industry entered a new era, and its production grew.

The province exported 27,283 piculs of silk worth of \$17,470,360 in 1929. But the world depression during the thirties almost brought disaster to Szechuan's silk farmers. Silk production decreased steadily, the province exporting only 3,977 piculs in 1935, worth \$905,533.

Efforts were made in the meantime for the recovery of the industry. The Tabua Silk Company was organized in 1933 by Szechuan silk merchants, and the provincial silk readjustment commission.

The company secured a loan of \$1,700,000 from Chungking banks, besides issuing \$1,200,000 worth of bonds. Dr. Benito Mari, the League of Nations sericulture expert then in China, was invited to Szechuan to give advice.

The now dissolved National Economic Council stepped in to give help in 1934 with the introduction of improved silkworm eggs. The Council, co-operation with the provincial reconstruction bureau, imported Chekiang and Kiangsu improved silkworm eggs and mulberry seedlings and distributed them to the Szechuan farmers free of charge. This gave a new stimulus to the Szechuan silk industry.

The Szechuan Silk Corporation was established by local silk merchants and the Szechuan Provincial Government in 1937, by incorporating the Szechuan Silk Trading Company, with a capital of \$3,000,000. It operates seven silk filatures with 2,844 reels and 10 silkworm improvement stations. Besides, it enjoys special rights in the buying of cocoons and raw silk.

The province has also six educational institutions giving courses in scientific sericulture. The College of Agriculture of the National Szechuan University has a sericulture department at Omei. (Continued Page 10, Col. 3, 4)

SAY
Gordon's
...and know
what you're
drinking!



NO COLOURING MATTER
NO INJURIOUS INGREDIENTS

MARKET REPORT

BANDSTANDS AS SCRAP - IRON

FROM ROZA BRO.

Monday, July 15, 1940.

Bandstands and iron hurdles, in addition to railings, in many London County Council parks and open spaces are to be scrapped to add to the nation's supply of war material.

The London/New York cross-rate was quoted at 4021/2. New York/London was quoted at 371.

MARKET

Quiet.

STERLING

Nothing doing. There were sellers at 1/231/32 July, probably August, buyers at 1/3 for Cash.

U.S. DOLLARS

No business was reported. There were sellers at 2215/16, buyers at 231/8 for Cash.

The old bandstand in Victoria Park, Hackney, is to be scrapped, as well as more than 1,000 hurdles and 100 yards of shin rails. The bandstand was built in 1884.

Nearly a mile of the high and heavy boundary railings of Hackney Downs along Queen's Road and Downs-road to go. They are expected to yield about 100 tons.

SHANGHAI DOLLARS

Opened with sellers at 37/8 and then eased off to 327/32. The market then reacted to 355/84 and closed at 37/8 for Spot. U.S.

Dollars opened at 531/32 and then dropped to 57/8. The market closed at 1 p.m. with sellers at 531/32 for Spot.

SHANGHAI MARKET

Opened with sellers at 37/8 and then small buyers at 1/3 for Cash.

U.S. DOLLARS

The market closed with sellers at 231/16 July, buyers probably at 233/16 for Cash.

SHANGHAI DOLLARS

Closed with sellers at 382.

SHANGHAI MARKET

Closed firm with sellers at 329/32 for Spot and U.S. Dollars at 8 for Spot.

AFTERNOON MARKET

Quiet.

STERLING

The market closed with sellers at 1/231/32 July, probably August at 8 for Spot.

ROYAL STUDIO

Art Photographer

Excellent Enlarging & Developing

39, Queen's Rd. C.

Tels. 21184 & 33008.

Hongkong Daily Press

CLASSIFIED

ADVERTISEMENTS

AUCTIONEERS

GREATEST COLLECTION OF BARGAINS IN TOWN!

LAMMERT'S AUCTION ROOM

16, Wyndham Street. Tel. 23615.

FOR SALE

A selection of the best varieties of RELIABLE & TESTED FLOWER AND VEGETABLE SEEDS

From

Messrs. Suttons & Sons, Reading.

Messrs. Atlee Burpee & Co., Philadelphia.

Messrs. Arthur Yates & Co., Ltd., Sydney.

BUYERS

Watsons, 5750.

SALES

H.K. Banks, 61150.

Docks (O), 514/14/14.50.

Providents, 43.50.

Hotels, 33.40.

China Lights (O), 35.40.

Electric, 43.25.

H.K. STOCK EXCHANGE

There were better enquiries in the market and although buyers have increased their offers scrip is not forthcoming in any quantity.

BUYERS

Watsons, 5750.

SALES

H.K. Banks, 61150.

Docks (O), 514/14/14.50.

Providents, 43.50.

Hotels, 33.40.

China Lights (O), 35.4

FOREIGN MARKETS & QUOTATIONS

MONEY AND EXCHANGE

CLOSING QUOTATIONS

JULY 15, 1940.

On London:	Telegraphic Transfer 1/3 1/4
	Bank Bills, on demand 1/3 1/3
	Credits 4 months' eight 1/3 3/3
On Shanghai:	On demand 370
On Singapore:	On demand 52 3/4
On Japan:	On demand 96
On India:	Telegraphic Transfer 88 1/2 and demand 42 1/4
On New York:	Bank Bills, on demand 28 5/8 Credits, 60 days' sight 23 3/4
On Batavia:	On demand 13*
On Paris:	Bank Bills, on demand 1885 Credits 4 months' eight 1180
On Saigon:	On demand 168
On Manila:	On demand 45 1/4
On Bangkok:	On demand 140 1/3
On Sterling Notes:	Bank Buying Rate 1/5
Bar Silver per oz.	21 3/4
Shanghai Exchange	Shanghai, July 15 (Reuter) Sterling Sellers Opening Closing Spot 0/3-7/8 0/3-29/32 July 0/3-7/8 0/3-29/32 Aug. 0/3-27/32 0/3-7/8 U.S. Dollars Spot \$5-31/32 \$6 July 5-41/32 6 Aug. 5-7/8 5-29/32 Market—Uncertain Official T.T. Rates Opening London 0/3-3/4 New York 5-11/16 Japan 34-1/8 Paris 20-3/4N Hongkong 24-7/8

LONDON STOCK EXCHANGE

(REUTER'S SERVICE)

London, July 12.
The following quotations are the middle prices at the close of the market in London. All quotations are subject to confirmation and no responsibility is assumed for errors in transmission.

War Loan, 3 1/4% (Red after 1952).....	90
Canton-K'loon Rly. 5% 6	
Chinese 4 1/2% Gold Loan 1898 (Brit. Issue).....	43
Chinese 5% Gold Bonds, 1925-47.....	43
Chain 4 1/2% Anglo-French Loan, 1908.....	44
Chinese 5% Crisp Loan, 1912.....	17
Chinese 5% Recg. Loan, 1913 (Ldn. Is.).....	24
Chinese 8% Ster. Notes, 1925 (Vickers).....	8
Chin. Imperial Rly. 5% Loan.....	56
Hunan Rly. 5%.....	12
Hukang Rly. 5%, 1911 (L.P. N.Y. Issue).....	14
Hukang Rly. 5%, 1911 (German Issue).....	11
Lung Tung & U. Hsi Rly. 5%, 1913.....	11
Shai-N'K'ng Rly. 5%.....	15
Tientsin-Pukow Rly. 5% (Brit. Std.).....	8
Tientsin-Pukow Rly. 5% (German Std.).....	8
Tientsin-Pukow Rly. 5% (Brit. Std. Supl. Loan).....	8
Tientsin-Pukow Rly. 5% (Ger. Std. Supl. Loan).....	8
Jap. 6% Ster. Loan, 1924 26	
Ger. 7% Int'l. Loan, 1924 41	
Chartered Bank.....	54
H.K. & Shai Bank (Ldn. Rely.).....	63
H.K. & Shai Bank (Col. Std.).....	65
Chinese Eng. & Mining (bearer).....	15/6
Chosen Corporation.....	6/8
Pekin Syndicate.....	2
Shai Elec. Constr. Co.	5
Shai Waterworks "A"	13
Union Insurance.....	20
Gula Kulampong Rubber 15	
B-A Tob. (bearer).....	65
Mercantile Bank.....	11
Dunlop Rubber 25/4	
Bristol Aeroplane 7/6	
Imperial Chemical Ind. 23/7	
United Steel 15/4	
Woolworths 48/6	
Merriam Investments 8/1	
Western Holdings 7/8	
Sub-Nig. 140	
Shell Trans. & Trad. (bearer).....	33/1
Nat. Defence Bonds, 3% 98	

NEW YORK STOCK EXCHANGE QUOTATION

(REUTER'S SERVICE)

JULY 14, 1940.

STOCKS	Last Sale	STOCKS	Last Sale	
Adams Express	51*	Kennecott Copper	24	
Alleghany Steel Co.	214	Lake Foundry & Mac.	3*	
Allied Stores	51	Libby-Owens-Ford Glass	364	
Allis Chalmers	294	Lockheed Aircraft	251	
Aluminum Ltd.	594	Loew's Inc.	24	
Amer. Can.	94	Lott Incorporated	23	
American Cyanamid B.	313	Mack Truck Inc.	19*	
Amer. & Foreign Power	11	Martin, Glen L.	28	
Amer. Rolling Mill	11	Mckesson & Robbins, pfd.	21	
Amer. Sting and R'ing Co.	35	Monsanto Chemical	90*	
Amer. Sugar Refining	13*	Montgomery Ward	384	
Amer. Tel. & Tel.	160	National Aviation	94*	
Amer. Tobacco "B"	771	Nat. Dairy Products	138	
Amer. Waterworks	9	Nat. Distillers	194*	
Aitchison, T. & S. F.	154*	National Gypsum	64	
Aviation Corp.	23	National Lead	151*	
Bacock & Wilcox	144	Nat. Power & Light	72	
Baldwin Locomotive	144	National Steel Corp.	57*	
Baltimore & Ohio	37	National Supply Corp.	—	
Barber Asphalt Co.	98	New York Central	114	
Barnsdall Oil	72*	Niagara Hudson Power	42*	
Sell Aircraft Corp.	151	N. American Aviation	18	
Endix Aviation	271	North American Co.	204	
Bethlehem Steel	152	Northern Pacific	64	
Bliss & Co.	14*	Owens-Illinois Glass Co.	49	
Boeing Airplane Co.	148	Pacific Gas & Elec.	281	
Borg-Warner	93*	Pacific Lighting	41*	
Bridgeport Brass Corp.	174	Packard Motors	4	
Brooklyn-Man. Pfd.	232	Pan-American Airways	138	
Budd M'facturing Corp.	38	Paramount Pictures	47	
Canadian Pacific R'way	21	Pennsylvania R.R.	20	
Case, J.I.	47*	Philips Dodge	26	
Celanese	271	Philadelphia Read. Coal	1*	
Chesapeake & Ohio	361	Phillips Petroleum	314	
Chrysler Corp.	63	Pittsburg Coke & Iron	63	
Republic Steel	168	Public Service of N.J.	37*	
Climax-Molybdenum Co.	27*	Pulman Inc.	194	
Coats Patent Fire-Arms	75	Pure Oil	73	
Columbia Gas & Elec.	54	Radio Corp. of Am.	41	
Com. Credit Co.	24*	Reading Company, Com	12	
Commercial Credit Co.	32*	Remington Arms Co., Inc.	41*	
Conn. & Southern (Ord.)	13	Republic Aviation Corp.	41*	
Consolidated Edison	272	Revere C'p. & Brass Inc.	84*	
Consolidated Oil	61	Co. Patent	353*	
Continental Can	394	Reynold Tobac. "B"	73*	
Continental Oil	184	Richfield Oil	73	
Copperweld Steel	18	Safeway Stores	41*	
Corn Products	48*	Schenley Distillers	84*	
Curtiss Wright (C.)	7	Sears Roebuck	721*	
Curtiss Wright "A"	24	Shell Union Oil	84	
Deer & Co.	141	Socony-Vacuum Oil	82	
Distillers Corp. Seagram	141	Southern Pacific	82	
Douglas Aircraft	68*	Southern Rly \$5, pfd.	181	
Du Pont de Nemours	67	Sperry	388	
Eagle Fisher Lead	8*	Spicer Manufacturing Co.	25*	
Eaton Mfg. Co.	321	Standard Brnds.	64	
Elect. Autolite	32	Stand. Gas & Elec.	18*	
Elec. Bond & Share	64	Standard Oil of California	342	
Elec. Bond & Share \$5 pf.	63	Standard Oil of N.J.	342	
Elec. Bond & Share \$6 pf.	68	Stone & Webster	81	
Elec. Power & Light 57 pf.	32	Studebaker Com.	61	
Fisk Rubber	101	Swift International	174	
Flintkote	134	Technicolor	10	
Gen. American Trans.	45	Texas Corp.	382	
Gen. Electric	302	Texel Gas Sulphur	303	
Gen. Motors	432	Timken-Axle	224	
Gen. Railway Signal	104	Trans-American Co.	42*	
Gen. Tire & Rubber	142	20th Cent. Fox	81 pf.	
Gildden Co.	12	20th Cent. Fox \$1 pf.	148*	
Goodrich (P.F.)	123	Union Bag & Paper Corp.	102	
Goodrich 55 pf.	514	Union Carbide & Carbon	682	
Goodyear Tire & Co.	148	Union Pacific	818	
Great Northern Iron Ore	14	United Aircraft	332	
Great Northern Rly, pfd.	224	United Airlines Trans.	164	
Great Western Sugar	214	United Corp.	21	
Greyhound Corp.	118	United Corp. \$3 cum. pf.	35*	
Hercules Powder Co.	80	United Gas Corp.	1	
Homestake Mining	43	United Gas Improvement	124	
International Harvester	391	U.S. Industrial Alcohol	174*	
Int. Nickel	232	U.S. Rubber	19	
Inter. Paper & Power	128	U.S. Rubber \$8 pfd.	75	
Int. Tel. & Tel.	21	U.S. Steel	513	
Johns-Manville	56	Vanadium	30	
J. & Laughlin Steel \$7 pfd.	724	Vultee Aircraft	81*	
—mid. —ex. div.				
DOW JONES AVERAGE				
July 14, 1940				
High Low Close Change				
High Dow Jones Averages	156.82	111.84	30	Up 15 off
156.82	111.84	30	15.00	
25.90	22.15	20	Rail.	
87.70	78.03	20	Utilities	
93.43	83.06	40	Bonds	
66.67	46.69	41	Commodity Index	
Business Done: +120,000 shares				

RAW SILK OF SZECHWAN

(Continued from Page 9)

Nanchung has two sericulture departments, of the Central Advanced Technical School and of the Nanchung Girls' Vocational School. Kiating has the Kiating Provincial Sericultural School as well as the Kiating Provincial Girls' Sericultural School. Pishan in eastern Szechwan has the sixth institution, the Sericulture Department of the Chengtai Girls' Middle School.

Yunnan is also getting encouragement from the Central Government. The province has grown 3,800,000 mulberry tree seedlings and plans to raise 1,000,000 sheets of improved silkworm eggs this year to give the province's silk-worm growers better and healthier silkworms.

London-Midlands-Scottish 3% 11

Great Western Rail-Nat. Bank of India 3% 28

way, 3% 244

FINANCE

PAYNE & CO. COMMODITY BROKERS STOCK EXCHANGE BUILDING HONGKONG

COMMODITY MARKET REVIEW

(FROM PAYNE & CO.)

NEW YORK, July 13, 1940.

	Previous	July 13	
SINGAPORE RUBBER	Close	Opening	Closing Change
Buyers	Buyers	Buyers	
S P O T	36 3/4	35 3/4	37 cts. up 1/4
OCT./DEC.	34 1/2	34 1/2	34 5/8 up 1/8
JAN./MAR.	34 cts.	32 cts.	32 1/4 up 1/4

PRESIDENT LINER *Sailings*



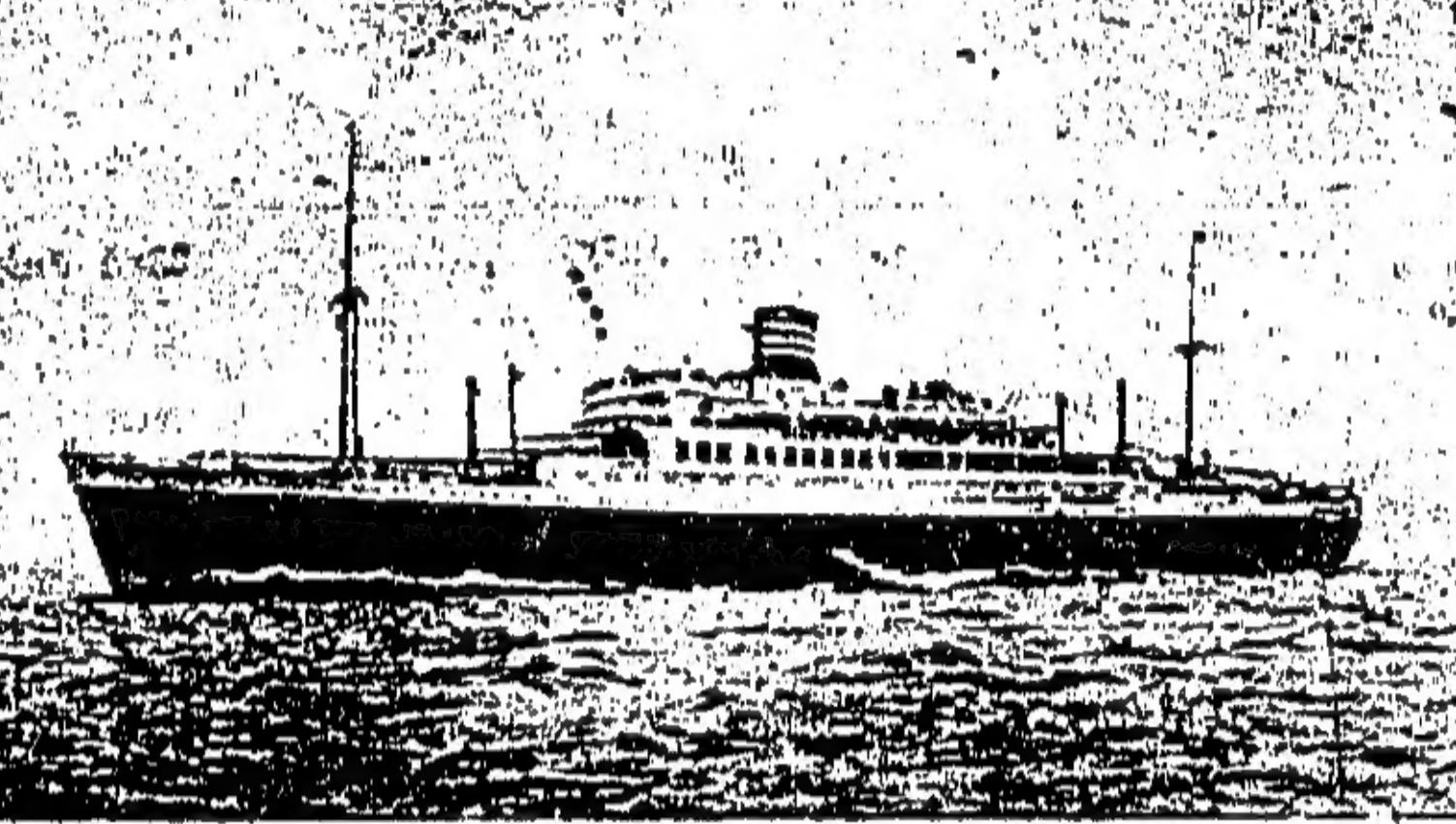
To SAN FRANCISCO and LOS ANGELES
via SHANGHAI, KOBE, YOKOHAMA & HONOLULU
S.S. "PRESIDENT TAFT" July 18
S.S. "PRESIDENT CLEVELAND" Aug. 4
S.S. "PRESIDENT PIERCE" Aug. 10
S.S. "PRESIDENT COOLIDGE" Aug. 24
* Omits Yokohama.

To NEW YORK and BOSTON
via MANILA, SINGAPORE, PENANG, COLOMBO,
BOMBAY and CAPE TOWN
S.S. "PRESIDENT ADAMS" July 21
S.S. "PRESIDENT HARRISON" Aug. 18

To SINGAPORE & PENANG
S.S. "CITY OF SAN FRANCISCO" Aug. 12
S.S. "CITY OF LOS ANGELES" Aug. 18

To SAN FRANCISCO & LOS ANGELES
DIRECT
S.S. "CITY OF NORFOLK" July 27
S.S. "CITY OF SAN FRANCISCO" Sept. 1

AMERICAN PRESIDENT LINES
"ROUND-WORLD SERVICE"
AGENTS FOR TRANSCONTINENTAL & WESTERN AIR
AND UNITED AIR LINES
12, PEDDER ST. TEL. 28171.



THE NEW
S.S. "NITTA MARU"
Leaving Hongkong July 17th
TO MANILA

JULY 23rd TO:
SAN FRANCISCO, LOS ANGELES,
via
SHANGHAI, JAPAN and HONOLULU.

A few reservations still available

Complete Information From Your Agent or:
NIPPON YUSEN KAISYA
KING'S BUILDING Telephone 30291
General Passenger Agents in the Orient for
CUNARD WHITE STAR LINE

TRAVEL A.O. LINE
To AUSTRALIA

Calling at Manila, Thursday Island, Cairns, Townsville, Brisbane, Sydney, & Melbourne, etc.

NEXT SAILING
END OF JULY, 1940.

For Freight or Passage apply to:

BUTTERFIELD & SWIRE
Agents
Tel. No. 30332.

1 Connaught Road.

DOUGLAS STEAMSHIP CO., LTD.
SAILINGS FOR SWATOW, AMOY & FOOCHEW & LETCHUAN
Subject to alteration without notice
KWANGCHOWWAN—HONGKONG SERVICE
Sailings Twice Weekly from Hong Kong

For Freight and Passage apply to:

DOUGLAS LAPRAIK & CO.,
General Managers
P. & O. Building.

Tel. Nos. 28037 and 28038.

Fine American Gesture

LONDON, July 15 (Reuter)—The National Maritime Trade Union, or the American Union of Seamen on Atlantic runs, has offered to provide a crew without pay, if a ship is sent from America to carry back children evacuees from Britain.

New Zealand is disappointed at the postponement of the children evacuation scheme but, Mr. P. Fraser, the Prime Minister, said yesterday that he was convinced that the offers of hospitality will still hold good when the scheme is resumed. He revealed that New Zealand has now placed more units at Britain's disposal than can be used at the present moment.

MIYAKE DISASTER

TOKYO, July 15 (Reuter)—The warship which left its base on Saturday morning for Miyake Island, which was struck by volcanic eruption "reached its destination at 2.30 p.m. on Saturday and landed a relief party despite a heavy sea."

Two N.Y.K. liners, including the Daifuku Maru, arrived at the scene yesterday to aid the relief work.

Relief parties arrived from the neighbouring prefectures, including Tokyo.

Twenty-one persons are missing and another 21 are injured.

Thirty-four houses were destroyed.

WEATHER REPORT

Hongkong Royal Observatory
10 a.m., July 15.
Barometer (at sea level), 29.74 ins.

Temperature, 85 F
Humidity, 80 per cent

Wind Direction, S/W

Wind Force (Beaufort), 3

Temperature: maximum yesterday,

88 F

Temperature: minimum last night,

81

Rainfall for 24 hrs. ending 10th today, 0.18 ins.

Total rainfall since January 1st, 75.55 ins.

Against an average of 43.87 ins.

Sunset tonight, 7.11 p.m.

Sunrise tomorrow, 5.49 a.m.

4 p.m., July 15.

Barometer (at sea level), 29.74 ins.

Temperature, 84 F

Humidity, 82 per cent

Wind Direction, SSW

Wind Force (Beaufort), 2

Maximum temperature, 88 F

Minimum temperature, 80 F

Rainfall, nil

HONG KONG TIDE TABLE

From 16 to 22 July 1940.

HIGH WATER LOW WATER

Days of Week	High Water	Hong Kong Standard Time	Low Water	Hong Kong Standard Time
Tues. 16	h. m.	h. m.	h. m.	h. m.
	6 30	6 6	13 55	1 4
	10 30	4 1	—	—
Wed. 17	07 22	8 9	00 24	3 3
	9 26	4 3	14 39	1 0
Thur. 18	08 10	7 8	01 14	3 3
	22 08	4 4	15 19	0 7
Fri. 19	08 55	7 3	02 00	3 2
	22 46	4 4	15 53	0 6
Sat. 20	09 36	7 3	02 45	3 1
	23 20	4 5	16 26	0 6
Sun. 21	10 14	7 1	03 29	2 0
	23 54	4 6	17 00	3 0
Mon. 22	10 48	6 8	04 11	3 0
	—	—	17 32	0 9

PASSENGERS

DEPARTURES FROM THE COLONY

The following passengers left Hongkong by an American ship at the week-end:

Mrs. W. F. Arndt, Miss Rose Marie Arndt, Mr. E. W. Barrows, Mrs. D. M. Biggar, Mr. Lawrence E. Brown, Mr. C. A. Bowern, Mr. and Mrs. A. Buys, Mrs. W. L. L. Barker, Mr. William Barker, Miss O. G. Boyd, Miss K. M. Boyd, Miss Mary W. Bischoff, Miss Fern Ellis, Miss Rose Ellis, Mr. W. C. Farnham, Mr. G. A. Fitch, Mr. Aaron L. Friedlander, Miss Juanita Griffin, Mr. W. B. Goldrick, Mr. and Mrs. G. J. Hulsewé, Miss Freda Hulsewé, Mr. and Mrs. O. H. Hugill, Mrs. George Hunt, Mstr. Norman C. Herndon, Mr. R. E. Jones, Mrs. A. M. Jones, Mrs. Grace E. Keen, Mr. M. E. Lloyd, Mr. A. E. Lower, Father M. J. McKillop, Mr. Joseph P. S. Marinetti, Mrs. G. E. Marshall, Mr. John Marshall, Mrs. K. E. McCormick, Mr. R. F. Pirard, Miss Mildred May Owen, Miss Mavis Lee Oakley, Mrs. L. G. Richards, Miss S. Rousseau, Miss E. Rousseau, Mr. Rousseau, Mrs. C. A. Roberts, Miss Jean Roberts, Miss Joyce Roberts, Miss Janet Roberts, Mrs. E. Schmitt, Mr. and Mrs. F. D. Sulivan, Mrs. Charles E. Scott, Mr. G. A. Sullivan, Mr. and Mrs. A. E. Storm, Mrs. M. L. Southwick, Miss Eleanor Southwick, Miss Freda Southwick, Mrs. C. H. Shaffer, Mrs. Carl Shaffer, Mrs. Margaret H. Schmidt, Miss Eva Dykes Spicer, Mrs. W. H. Tippen, Mr. Gordon Torrey, Mrs. Selma H. Wade, Miss Daphne Lee Wade, Mrs. Florence H. Wood, Mr. Ralph E. Phillips, Mstr. Robert W. Phillips

FOR THE NORTH

The following left on a British ship for the North:

Mrs. S. S. Grimshaw, Mrs. J. S. Gordon, Mrs. Panizzi and son, Mrs. D. G. Frost and two children, Mrs. E. A. Martin

FOR THE SOUTH

Another British steamer took the following to southern ports:

Mrs. N. L. White and son, Mrs. D. M. Hopkins and son, Miss M. R. Glendinning, Miss H. E. Glendinning, Mrs. N. Lumsden, Mr. K. Begden, Mrs. A. H. Gui-

Crown Land Auction

Four lots of land were sold at the Auction Sale, held in the Crown Lands Office yesterday.

Inland Lot No. 6007, situated in Stubbs Road, was sold to Mr. Huo Pao-tsai of No. 28, Robinson Road for the upset price of \$13,985. The land has an area of about 39,900 sq. ft., with an annual rental of \$732.

There was some bidding for K.L.L. No. 4281, the plot failing to Mr. Au Yeung Ho Kwan for \$18,920, the upset price being \$16,120. The plot has an area of 3,060 sq. ft., the annual rental being \$148.

Mr. S. K. Chu, 673A, Shanghai Street, secured K.L.L. No. 4282 for \$2,790, this being the upset price. With an area of 3,720 sq. ft., this plot draws a revenue of \$42 annually in rental.

Kowloon Inland Lot No. 2810 was sold to Mr. Fan Sung for \$9,488, this being \$300 higher than the upset price. The land has an area of about 7,300 sq. ft. The annual rental is \$102.

NOTICES TO MARINERS

The Billean Buoy at the north-eastern extremity of the dangers extending North East of the Billean has been replaced at Lat 6 degs. 39' 30" N., 117 degs. 48' 30" E., according to a notice to mariners issued by the local Harbour Office.

The Naval Authorities inform mariners that the floating mine at Macassar Strait near Balik Papan has been removed.

HEALTH RETURNS

Thirty-eight cases of tuberculosis, seven of enteric fever, five of dysentery, two of cerebro-spinal fever and one each of chicken-scarlet fever and diphtheria were reported to the Health Authorities for the 48 hours ended at midnight on July 14.

Master C. Begden, Mrs. Summerfield, Mrs. Semett, and daughter, Mr. W. S. Glendinning, Miss J. Begden.

MACKINNON, MACKENZIE & CO.
P.C.C. BUILDING, CONNAUGHT ROAD CENTRAL, HONGKONG
PHONE 2721.

Details may be obtained from

"Route-of-Wonders"
ACROSS CANADA

Speed across the Pacific by luxurious Empress liners
then... Victoria... stop over if you wish... and
Vancouver in Canada's Evergreen playground.

NEXT SAILING FROM HONGKONG
SECOND WEEK IN AUGUST

(Omitting Honolulu)

Fast through AIR CONDITIONED trains from
ship's side at Vancouver take you through the Majestic
Canadian Rockies—Lake Louise, Banff—800 miles of travel
through Marvelous Mountain Scenery, Niagara Falls and
the Great Lakes can be included as optional routes on your
coast-to-coast trip. Stop over anywhere you wish.

Then Montreal and Quebec, gay French-speaking
cities on the famous St. Lawrence Seaway, and a quick
crossing to Europe by one of Canadian Pacific's Atlantic
fleets.

NEXT SAILING TO MANILA
FIRST WEEK IN AUGUST

For Full Information Consult Your Travel Agent
OR

Union Building
Hong Kong
Telephone 20752
Canadian Pacific
World's Greatest Travel System

BARBER - WILHELMSEN LINE

SERVICE OF
BOSTON AND NEW YORK
VIA LOS ANGELES & PANAMA CANAL PORTS
by NEW FAST VESSELS

NEXT SAILING THIRD WEEK JULY

Following sailing third week August

DODWELL & CO., LTD.

Agents

Hong Kong, Bank Building.

Telephone 20751

SAILINGS FOR SWATOW, AMOY & FOOCHEW & LETCHUAN

Subject to alteration without notice

KWANGCHOWWAN—HONGKONG SERVICE

Sailings Twice Weekly from Hong Kong

For Freight and Passage apply to:

DOUGLAS LAPRAIK & CO.,

General Managers

P. & O. Building.

Tel. Nos. 28037 and 28038.

AGENTS FOR

ELLERMAN AND BUCKNALL S.S. CO., LTD.

Regular sailings for UNITED KINGDOM as opportunity offers

NEXT SAILING EARLY AUGUST

AGENTS FOR

HONGKONG, CANTON & MACAO STEAMERS
JOINT SERVICE OF THE HONGKONG, CANTON & MACAO STEAMBOAT CO LTD ET AL
CHINA NAVIGATION CO LTD

TRAVEL
THE
SHORT
SAFE
SEA
WAY
by the
British Line

CANTON LINE

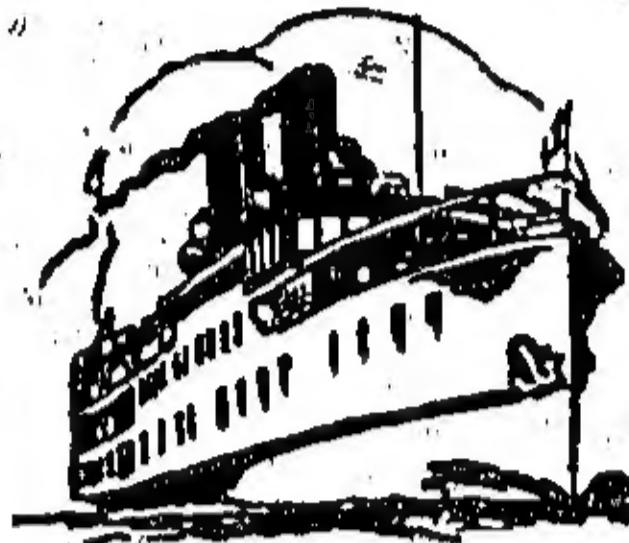
WEEKLY SAILING

MACAO LINE

DAILY SERVICE

(including Sunday)

Note:—All vessels equipped with Wireless.
QUEEN'S BUILDING, CONNAUGHT ROAD
Telephone: 20101 A.P.E.



THE PERFECT HOLIDAY

A PARADISE CRUISE

TO BALI & JAVA

— 16 & 30 DAYS ROUNDTRIPS —

AT SPECIAL EXCURSION FARES

REGULAR SAILINGS

TO BALI & JAVA VIA P.I. PORTS

EVERY THREE WEEKS.

TO BATAVIA VIA MANILA

EVERY THREE WEEKS.

TO AMOY & SHANGHAI

WEEKLY & FORTNIGHTLY

Particulars of Arrivals & Departures
Upon application

JAVA-CHINA-JAPAN LIJN N.V.

HONGKONG-AMOY-SWATOW-CANTON

Macao Agent

H. NOLASCO DA SILVA

LIJN MODERN EXPRESS SERVICE

THE BLUE FUNNEL LINE
REGULAR AND FAST
FREIGHT AND PASSENGER SERVICES

TO UNITED KINGDOM PORTS. NEXT
SAILING EARLY AUGUST. For dates
and ports of call apply to Agents.

PACIFIC AND NEW YORK SERVICES are
maintained as hitherto.

Information regarding **INWARD CARGO**
and all matters relating to freight and
passage will gladly be given by

Butterfield & Swire,

Agents.

Tel No. 28332

1 Connaught Road.

ABNORMAL SHANGHAI SHIPPING

Demand For Small Ships: America Only Supplier

The demand for freighters and cargo boats for service on the China coast is increasing daily, says the North China Daily News of July 8. With Great Britain's prohibition of sale of British owned vessels, American owners of old but serviceable small boats and freighters, have been doing a brisk business and, with the attractive prices offered, have been speedily selling their vessels to Far Eastern interests.

The requirement for the smaller type of vessel exceeds by far the supply, practically the only avenue of supply today being America.

SALE OF U.S. BOATS. The sale of American boats have been placed under the control of the U.S. Maritime Commission. It was learned yesterday that only recently Wallen & Company, a Norwegian shipping concern here, brought another vessel whose release by the American shipping commission will add another vessel to the fleet of the company who in recent months have been buying several coastal boats.

Fantastic prices are offered by investors here for small vessels and the U.S.\$20 standard price per tonnage of former days have been replaced by U.S.\$200 and much more.

The demand for freighters was partly satisfied by the purchase of American owned vessels formerly on the Atlantic run, but which were laid off following the war in Europe. Despite the number of vessels which became available for Far Eastern buyers, the demand continues unabated.

"OLD SALTS'" LAMENT

An "Old Salt" who is a familiar figure in the Shanghai Bund lamented what he termed the passing away of the "Glorified Tug Boats" or small freighters and, "old salts" lamented what he termed the passing away of the "Glorified Tug Boats" or small freighters and, a number of powers have been repositioned by their various governments for government service and consequently are not available for the usual merchant marine service.

The condition of shipping here can be summed up today as unique in shipping history on the China coast. Japanese boats are maintaining only a skeleton service between Shanghai and European ports.

Most of their ocean going liners designed and built for this schedule have been diverted to the Pacific run, with south American ports as final ports of call. A number of ships have been commissioned on the Pacific run by other Far Eastern interests and are flying the flag of Panama.

CHARTER BUSINESS

The charter business is also seriously affected. There is the increasing demand with little or no supply forthcoming. Vessels of a number of powers have been repositioned by their various governments for government service and consequently are not available for the usual merchant marine service.

Chinese authorities in Chekiang are not only considering the applications sent in by shipping interests here who have boats ever ready for the purpose, but also those applications sent by other shipping interests maintaining boats on regular runs between Shanghai and Wenchow.

CHANGE OF ROUTE

The latter group is said to be changing their route, seeing that there are not many goods at present in Wenchow waiting for transportation to Shanghai. Goods were once piled up in Wenchow when the Japanese naval authorities interfered with shipping between Shanghai and that district. Several ship owners are seeking permission so that ships on the Shanghai-Wenchow run can be diverted to Shanghai-Ningpo run.

THE NAZI AIR EFFORT IS "WINDING UP"

Britain Just Ended Week Of Intensive Raids

LONDON, July 15 (Reuter)—Britain has just ended one of the most intensive weeks of air raids since war began, although the raids are nothing like what they may become. German bombers and fighters have been coming over in bigger numbers than ever before.

When he spoke about the evacuation of Dunkirk, Mr. Churchill said that the R.A.F. were bringing the enemy down at a ratio of three or four German planes to one of our own. He said that if Britain was attacked in bigger numbers he was sure our men would do even better.

This is already coming true, for the proportion during the past week has been roughly seven to one.

VAIN SACRIFICES

German sacrifices in planes and pilots have not brought them any corresponding gains. During the past fortnight, one area in south-east England has been raided 20 times; this was one of the unlucky areas! No less than 41 bombs were dropped, without damage to any military objective and the highest death roll in any one raid was five.

Reviewing the week, an Air Observer of the B.B.C. said last night that the German air attacks seem to be more and more on our shipping. Saturday's chief battle was over the Channel and there are many other signs that the Germans are increasing their efforts for a partial air blockade.

PRELUDES TO REAL THING

From a purely personal point of view, he felt that these attacks were preludes to the main attack and suggested that it was likely very soon. This attack will be on a tremendous scale.

Britain can expect nothing less than the biggest and most careful aerial offensive in history, he continued. Attacks on shipping may be dropped suddenly when the main one starts or they may be intensified with attacks on sea ports.

NO TIME TO LOSE

It is noteworthy that the Germans go for shipping while bigger things are brewing. There is no time to lose. The foundations of our air force have been proved to be of the best. Every day last week showed that. Between 80 and 90 German planes were shot down at the cost of only 11 British fighters. The Germans lost well trained men and the British lost civilians.

German bombers now have fighter escorts—an admission that the enemy appreciates the strength of the British defence. Bomber escorts are wasteful and only used when losses of bombers flying alone are too heavy.

The Maoris have continued to be under British rule for 100 years.

"When we look back," he went on, "we Maoris of New Zealand

environs for government service and consequently are not available for the usual merchant marine service.

The building of new vessels in the Far East has been seriously hampered by the shortage of steel. It was thought that building operations should improve in the Far East with the combination of Australian steel and Chinese skilled labour.

SHANGHAI - NINGPO ROUTE ADAPTED

Since the blockade of Indo-China which has rendered it difficult if not impossible to ship Shanghai goods to the interior of "free China" shipping interests in Shanghai have adapted themselves to the situation by making full use of the Shanghai-Ningpo route, thus increasing cargo traffic on this route tremendously. Chinese reports reveal.

Many foreign shipping firms are said to have applied with Chinese authorities in Chekiang for permission to allow their boats to proceed to the important Chekiang coastal district which is quickly becoming the pivot of transportation. Cargo traffic between Shanghai and Ningpo has been so congested during the past few days that the present number of boats is not enough to meet the demand, it is said.

CHIEF BUSINESS

Managers of the various shipping firms here considered the sending of goods from Shanghai to Ningpo as their chief business, although the volume of cargo from Chekiang destined for Shanghai has not been decreased, it is pointed out. The reports indicate that there have been more goods sent to the interior through Ningpo than those received from Ningpo in Shanghai.

Chinese authorities in Chekiang are not only considering the applications sent in by shipping interests here who have boats ever ready for the purpose, but also those applications sent by other shipping interests maintaining boats on regular runs between Shanghai and Wenchow.

CHANGE OF ROUTE

The latter group is said to be changing their route, seeing that there are not many goods at present in Wenchow waiting for transportation to Shanghai. Goods were once piled up in Wenchow when the Japanese naval authorities interfered with shipping between Shanghai and that district. Several ship owners are seeking permission so that ships on the Shanghai-Wenchow run can be diverted to Shanghai-Ningpo run.

Incident Closed

SHANGHAI, July 15 (Reuter)—With a formal expression of regret to the Japanese naval authorities and the issuance of a strict warning to all British shipping concerns and merchants flying British flag by the British authorities concerned, the Shengkang incident was brought to a satisfactory close on Saturday night, it was announced yesterday in an official communiqué issued by the witness section of the Japanese China Seas Fleet.

The German air effort is winding up. Britain's object must be to have the biggest possible air force in the shortest possible time, so that when the fight does come every ounce of power up to that moment is in the fighting line.

HALF WERE FIGHTERS!

Britain's fighters, however, have developed tactics for dealing with both bombers and fighters simultaneously. Of 12 planes shot down on Saturday, half were fighters.

This time, Britain does not make the mistake of underestimating the enemy's strength, cunning or recklessness in men and materials.

The Air Force has measured the size of the task and the magnitude of its responsibility. It is determined to set new standards of courage and achievement.

The German air effort is winding up. Britain's object must be to have the biggest possible air force in the shortest possible time, so that when the fight does come every ounce of power up to that moment is in the fighting line.

REGULAR AND FAST FREIGHT AND PASSENGER SERVICES

From a purely personal point of view, he felt that these attacks were preludes to the main attack and suggested that it was likely very soon. This attack will be on a tremendous scale.

Britain can expect nothing less than the biggest and most careful aerial offensive in history, he continued. Attacks on shipping may be dropped suddenly when the main one starts or they may be intensified with attacks on sea ports.

NO TIME TO LOSE

It is noteworthy that the Germans go for shipping while bigger things are brewing. There is no time to lose. The foundations of our air force have been proved to be of the best. Every day last week showed that. Between 80 and 90 German planes were shot down at the cost of only 11 British fighters. The Germans lost well trained men and the British lost civilians.

German bombers now have fighter escorts—an admission that the enemy appreciates the strength of the British defence. Bomber escorts are wasteful and only used when losses of bombers flying alone are too heavy.

The Maoris have continued to be under British rule for 100 years.

"When we look back," he went on, "we Maoris of New Zealand

can say with all sincerity—thank goodness we are British! We have

tremendous pride in the Empire and are loyal to a man.

BRITISH JUSTICE

"We cherish British justice, freedom and liberty and, of course when called upon to defend the things you cherish, naturally you obey. That is why I am here. That is why we are all here."

England and what she stands for means just as much to the Maori as it does to the English.

He continued. He has always known England. He has known about its pastures, its meadows

its villages and even about the smell of new mown hay. It was the English poet who showed the Maoris England and now that the Maoris have seen it for themselves, they know that what the poets wrote is true.

FOREIGN MAIIS

HONGKONG, TUESDAY, 16th JULY, 1940, 9:30 A.M.

Small Packet Post to all countries is suspended.

INWARD MAIIS

From

Air Mail by "Pan American Airways Direct Service"—San Francisco date, 8th July.

Straits, Haliphong and Fort Bayard.

Sandakan, Calcutta and Straits.

Japan and Shanghai.

Shanghai, Almali by "Air France Service."

Haliphong.

Shanghai.

Manila.

Canton.

Java and Manlia.

Air Mail by "Imperial Airways Service".

Bangkok and Saigon.

Canton.

Japan and Shanghai.

Calcutta and Straits.

Shanghai.

U. S. A., Honolulu, Japan and Shanghai.—(San Francisco date 22nd June).

Shanghai.

Haliphong.

London and Straits.

Shanghai and Amoy.

Air Mail by "Imperial Airways Service".

Haliphong.

Manila.

Air Mail by "Pan American Airways Direct Service"—San Francisco date, 16th July.

Shanghai.

Australia and Manlia.

Haliphong and Hoibow.

Australia and Manlia.

Sandakan.

Shanghai.

Haliphong.

Japan.

Japan and Manila.